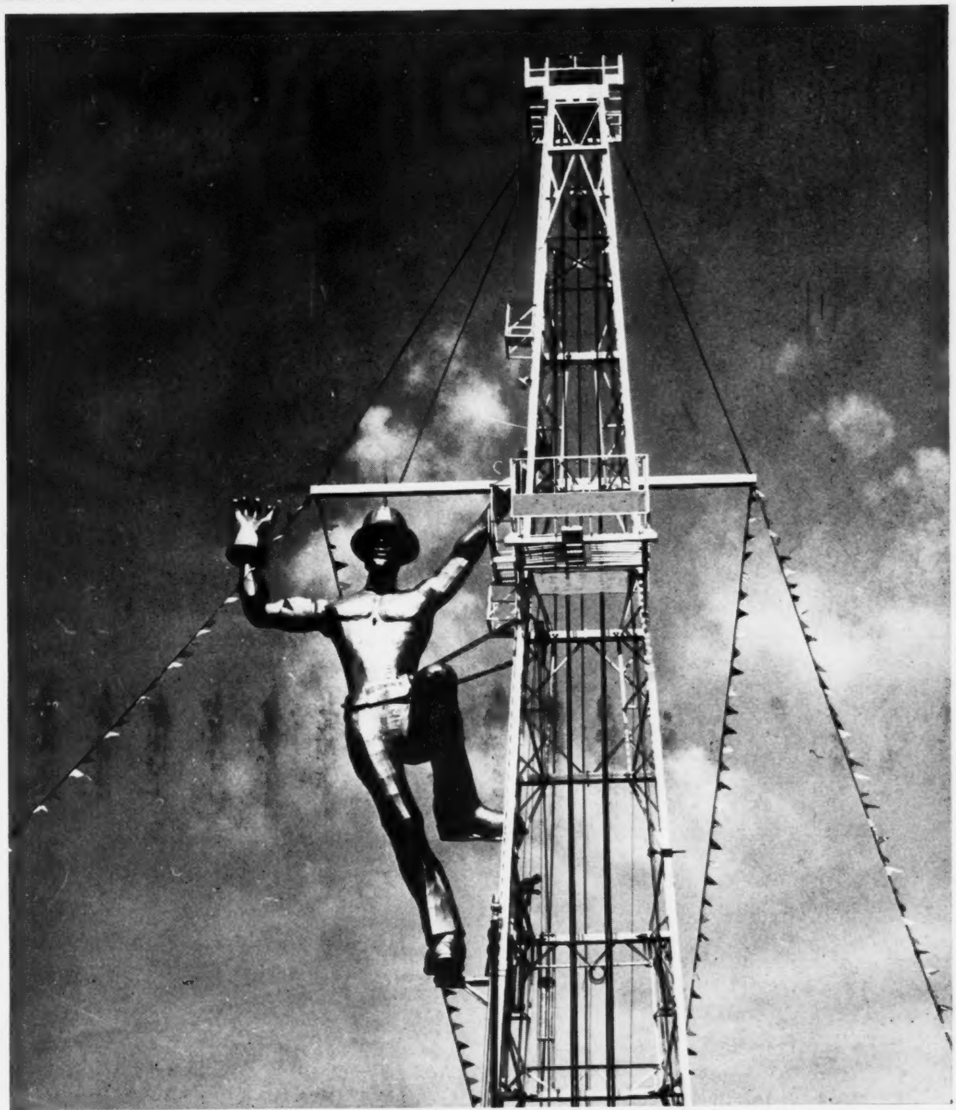
The National Insurance Buyer

ASIM

CORPORATE INSURANCE MANAGEMENT



"Rough Neck" — International Petroleum Exposition — Tulsa, Oklahoma.

• AN INFORMED BUYER IS A BETTER BUYER

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

Volume 8 May 1961

The National Insurance Buyer
CORPORATE INSURANCE MANAGEMENT
OFFICIAL ASIM PUBLICATION

Linda Burke, Editor
Eight West Fortieth Street, New York 18, N. Y.

We Honor . . .

The American Society of Insurance Management, Inc. takes pride in dedicating the May 1961 issue of the National Insurance Buyer to Oklahoma Society of Insurance Management, a chapter of ASIM.

The affiliation of this chapter with the American Society of Insurance Management, Inc. brings to ASIM's membership some of the largest corporations in the world. These corporations are represented by astute and able corporate insurance managers whose knowledge and experience enhance the ever-growing list of ASIM's members.

The officers and members of The American Society of Insurance Management, Inc. warmly welcome Oklahoma Society of Insurance Management, ASIM.

About the Cover . . .

The photo on the cover pictures a huge replica of a "Rough Neck" hanging on the side of an oil well drilling derrick situated on the grounds of the International Petroleum Exposition in Tulsa, Oklahoma. This sight is familiar to persons who visited the IPE in May, 1959.

Tulsa, known as the "Oil Capital of the World" plays host each 6 years to the IPE, in which some 1400 companies associated in the oil industry participate in displaying exhibits to interested persons who travel from all over the world. During the latest exhibit in 1959, over 500,000 persons representing 50 countries registered their attendance. The exhibition grounds cover 30 acres, and equipment valued at $500,000,000 was displayed showing the latest techniques in all phases of the oil industry: exploration, drilling, transporting, refining, and marketing petroleum products.

In This Issue . . .

The National Insurance Buyer, published bi-monthly (January, March, May, July, September and November) as the official publication of The American Society of Insurance Management, Inc., 8 West 40th Street, New York 18, New York. Linda Burke, Editor. Copyright 1961 by the American Society of Insurance Management, Inc. Subscription $6.00 a year. Advertising rates on request.

Oklahoma Society of Insurance Management

While attending Chartered Property and Casualty Underwriter (CPCU) 1959-60 study sessions, Mr. Frank Pauly and Thomas Winslow became acquainted. Mr. Pauly had handled school and city insurance for many years, while Mr. Winslow had experience with a leading nation-wide insurance firm recently becoming associated with The First National Bank and Trust Company of Tulsa as insurance analyst and buyer. Occasionally, insurance problems confronted by each were discussed and ideas were exchanged. The idea was conceived that if just two insurance buyers could profit so greatly in trading information, why not a group of all insurance buyers in the Tulsa area. Mr. Pauly's experience in organizing Rotary Clubs provided the impetus for creating and organizing such a group so an effort was begun. Although such an undertaking naturally requires a great deal of the organizer's time in making the necessary contacts and program planning, the task was made easy by the quick and receptive response of the insurance managers in the area. It was found that some of the Oklahoma Companies were already non-chapter members of the American Society of Insurance Management, Inc.; The interest was very great, and indeed one wonders why such a group had not been organized many years before.

In the spring of 1960 the insurance managers began to meet monthly with a luncheon meeting. The programs consisted of individual members discussing problems confronted by his own company on which he had done some time-consuming research, but

Officers of Oklahoma Society of Insurance Management, ASIM. ***Standing from left to right:*** **Tom Rubey, R. L. Ziegler, Carl L. McCurdy, Frank R. Pauly.** ***Seated left to right:*** **Thomas A. Winslow and Robert L. Harper.**

which were of current interest to other members. The luncheon sessions conducted on an informal basis proved to be very successful and interest accelerated. In the fall of 1960 the idea of becoming formally organized and associated with the American Society of Insurance Management, Inc. was projected. The group had been operating successfully up to that time and it was problematical whether anything would be gained by such a move. However, Mr. Howard Clem, then President of ASIM was invited to discuss the advantages of a national affiliation while in Tulsa for a regional conference of the Southwestern Oil Insurance Managers. Following his appearance there was no question in the minds of the members as the group voted unanimously in favor of the affiliation. On November 15, 1960, the group became formally organized by the election of a slate of officers, the tentative adoption of a recommended constitution and by-laws, and with applications for membership tendered to ASIM.

Officers and Directors

Thomas A. Winslow—The First National Bank and Trust Co. of Tulsa—President

Robert L. Harper—Loffland Brothers Company, Tulsa—Vice President

Frank R. Pauly—Schools & City of Tulsa—Secretary-Treasurer

***Directors*:**

Tom Rubey—Cities Service Company, Bartlesville, Oklahoma

Carl L. McCurdy—Warren Petroleum Corporation, Tulsa, Oklahoma

R. L. Ziegler—Sinclair Oil & Gas Co., Tulsa, Oklahoma

Subsequently, the wisdom of the affiliation with ASIM has been confirmed as the Oklahoma Society of Insurance Management, ASIM has continued to grow. Although the group is comprised principally of companies representing the Oil and related industries, it has been found that most insurance problems confronted by business organizations are not unique but are common to all forms.

Some Historical Highlights of Oklahoma

Oklahoma is a state which shares richly in the history of the development of the west. Sometimes known as the "Sooner" state, Oklahoma acquired that title in the spectacular land-run which occurred April 22, 1889, at 12 O'Clock Noon when the first four counties of Oklahoma Territory were opened by the Federal Government for white settlement. Some of the participants went in earlier or "sooner" and staked their claims unlawfully; hence, the label. The next area opened for settlement was the Cherokee Outlet in northern Oklahoma Territory on September 16, 1893; and in 1907 Indian Territory and Oklahoma Territory were joined to form the Nation's 46th State.

Originally, Oklahoma was populated by Indians displaced from southeastern United States, who attained a high degree of cultural refinement, and white settlers, nearly all of whom were engaged in agriculture. However, in 1905, the State's first large oil field was discovered near Tulsa known as Glenn Pool which was destined to alter the course of Oklahoma from primarily agricultural to industrial. Since then, oil and gas has been found in 69 of the State's 77 counties.

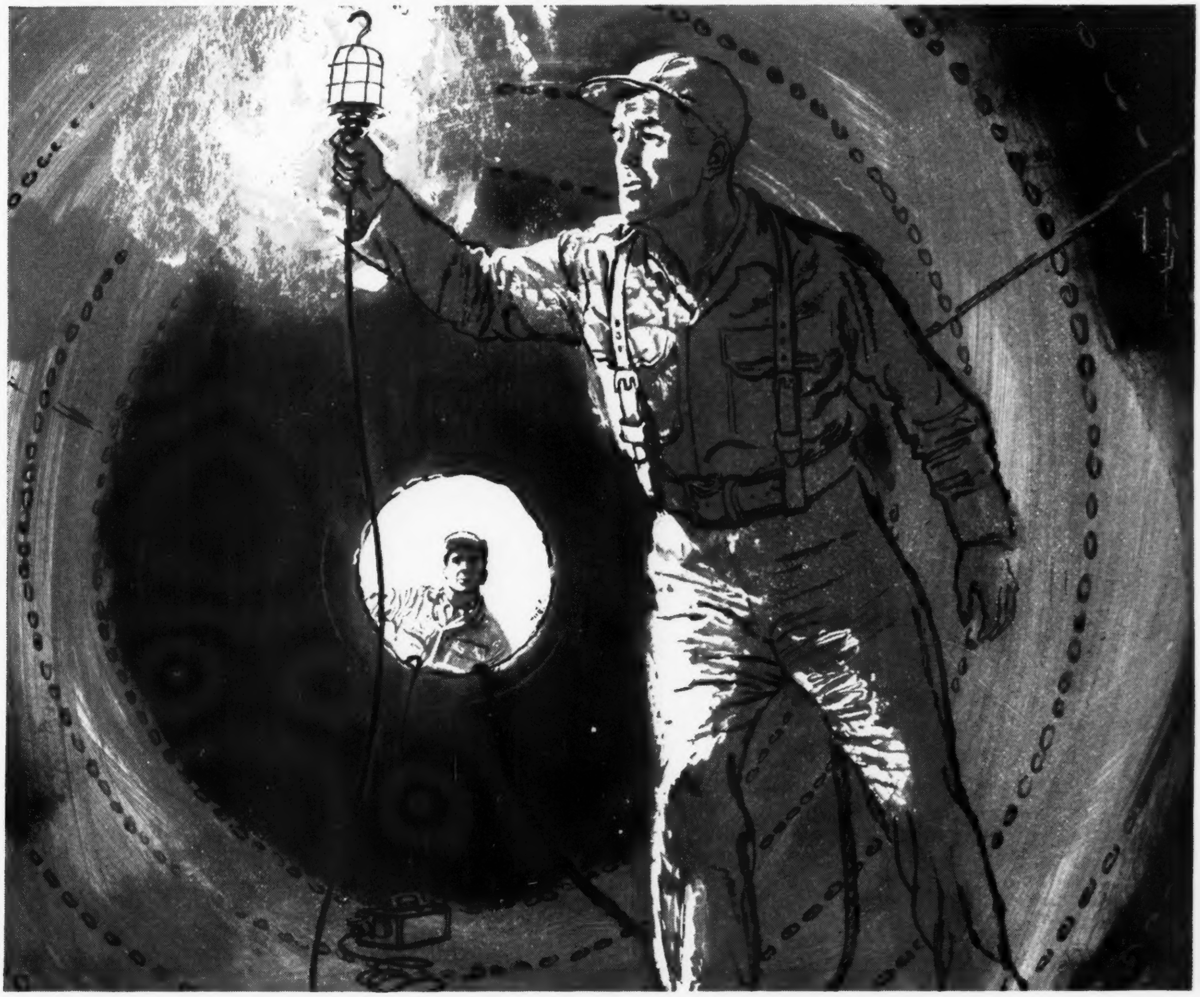
During the past half century, Oklahoma has literally progressed from teepees to towers. This transformation has been an eloquent chapter in the history of American progress. The State has produced its share of the Nation's great citizens that illustrate the principal of individual achievement in a nation that fosters free enterprise. While the oil industry has furnished the basis for Oklahoma's industrial economy, in recent years she has been diversifying rapidly into all forms of manufacturing activities in helping to meet the requirements of an expanding population in the Southwest. With the navigation of the Arkansas River from Tulsa to the sea now 32% complete, coupled with the plentiful water supply in the large man-made lakes of eastern Oklahoma, she is looking forward to an even greater era of industrial progress.

MEMBER COMPANIES

Amerada Petroleum Corporation
O. R. Burden Construction Co.
Champlin Oil and Refining Company
Cities Service Company
First National Bank and Trust Company
Helmerich & Payne, Inc.
Loffland Brothers Company
Oklahoma Cement Company
Oklahoma Natural Gas Company
Pan American Petroleum Company
Phillips Petroleum Company
Public Service Company of Oklahoma
Seismograph Service Corporation
Service Pipeline Co.
Sinclair Oil and Gas Company
Skelly Oil Company
Sunray Mid-Continent Oil Company
Tulsa Public Schools and City of Tulsa
Warren Petroleum Company
Wilcox Oil Company

PROTECTION IN DEPTH

How it helps cut compensation costs



3 ways to reduce shock hazards in your plant

Electric shocks took the lives of nearly 300 industrial workers last year. Hundreds more were injured in falls and other accidents *caused* by shocks. To minimize these losses Liberty Mutual safety engineers help policyholders take three vital steps to safety: (1) equip and train their employees for work in hazardous areas, (2) eliminate needless exposure to electric contacts, (3) check all electrical equipment for proper grounding.

Electrical safety engineering is but one of the many loss prevention services that are offered as part of Liberty's protection in depth. Also included among Liberty's 400 safety engineers are highly-trained specialists in materials handling, industrial hygiene, radiation, acoustics and many other important fields.

Liberty's protection in depth places equal emphasis on lessening the impact of injuries that do occur. A medical advisory service, two rehabilitation centers and a staff of rehabilitation nurses based nationwide are ways in which protection in depth helps speed the recovery and return to work of disabled employees.

Last year Liberty's protection in depth helped compensation policyholders save many millions of dollars. To learn how this concept can help lower *your* insurance costs, just contact the nearest Liberty Mutual office.

Look for more from

LIBERTY MUTUAL

the company that stands by you

LIBERTY MUTUAL INSURANCE COMPANY • LIBERTY MUTUAL FIRE INSURANCE COMPANY • HOME OFFICE: BOSTON

Personal Insurance: Automobile, Fire, Inland Marine, Burglary, Homeowners • **Business Insurance:** Workmen's Compensation, Liability, Group Accident and Health, Fire, Inland Marine, Fleet, Crime

ASIM Insurance Consumers' Committee Attends Meetings in Chicago

Report Presented to NAIC Unauthorized Insurance Committee on Surplus Lines Legislation

Raymond A. Severin

Chairman—Insurance Consumers' Committee, The American Society of Insurance Management Inc.

The following is the schedule of the American Society of Insurance Management's Insurance Consumers' Committee Meetings held in Chicago:

April 13, 1961—9 A.M. Palmer House—Representation of the full Committee. Adjourned—11 A.M., followed by a meeting of the Steering Committee at 12 noon. Adjourned 1:30 P.M.

2 P.M.—Joint meeting with All-Industry Committee, adjourned 5:30 P.M.

8:30 P.M.—Meeting of Steering Committee, adjourned 11:30 P.M.

April 14, 1961—Joint meeting with All-Industry Committee and Unauthorized Insurance Committee, NAIC; Ruby Room, Sherman Hotel — adjourned 4:30 P.M.

Results

Five meetings in two days: The views of the ASIM Insurance-Consumers' Committee on the Proposed Surplus Lines Legislation was very ably and forcibly presented by Raymond Severin, Chairman; Charles Groves; David Butler; George DeWolf and Nathan Seigel. The following report was presented to the NAIC Unauthorized Insurance Committee for their consideration:

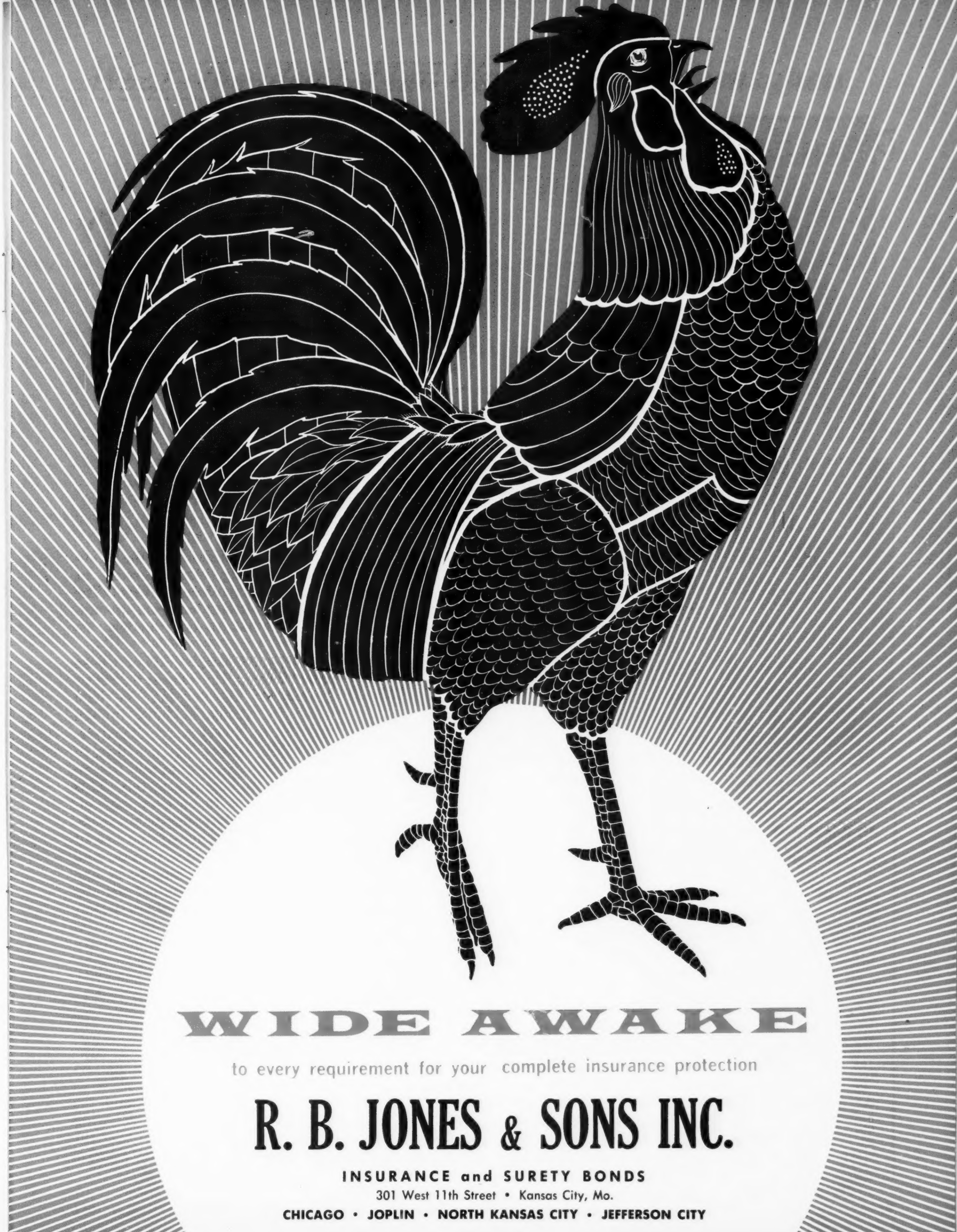
The members of the Insurance Consumers' Subcommittee, having considered the several drafts of Model or Uniform Non-admitted Insurance Acts (drafted and submitted by members of the parent Unauthorized Insurance Committee of the NAIC for study), and having concluded that the terms and provisions of said drafts are contrary to the best interests of insurance consumers in particular and members of the public in general; that said drafts are discriminatory, impractical and unduly restrictive and that for these reasons and others previously communicated to the Committee recommends that the parent Committee not propose NAIC approval of such drafts at its June meeting. The Insurance Consumers' Subcommittee, upon such information available to it, believes that the majority of the States are either satisfied with existing laws relating to non-admitted insurance and surplus lines or at most would consider it no more than necessary to enact administrative amendments thereto, consistent with the substance of principles considered by the NAIC in 1957.

The Insurance Consumers' Subcommittee, based upon its information and belief, has attempted to be of assistance to the Unauthorized Insurance Committee by drafting amendments to the NAIC. Guiding Principles of 1957, and by meeting jointly with the All Industry Subcommittee in an effort to compromise differences of opinion, to the end that advisory recommendations could be submitted to the parent Committee.

It became evident in the several meetings between the subcommittees that amendments to the 1957 NAIC Guiding Principles would necessarily be predicated upon the following understandings, if unanimity of agreement upon principles was to be obtained, to wit:

1. That the Guiding Principles would be limited in their application to Surplus Line Laws.

(*Concluded on page* 43)



WIDE AWAKE
to every requirement for your complete insurance protection
R. B. JONES & SONS INC.
INSURANCE and SURETY BONDS
301 West 11th Street • Kansas City, Mo.
CHICAGO • JOPLIN • NORTH KANSAS CITY • JEFFERSON CITY

Defense Contractor's Liability

Is Insurance the real answer to the liability problems of the Defense Contractor?

by
Kenneth C. Hall
Consultant-Casualty Insurance
General Electric Company, New York, N. Y.

KENNETH C. HALL

Kenneth C. Hall is a Consultant in the Casualty Insurance Department of General Electric Company in New York City.

Prior to joining General Electric Company in May 1955, Mr. Hall was associated with Liberty Mutual Insurance Company in the Underwriting Department; and with Ebasco Services Incorporated in their Insurance Deparment.

Educated at Williams College, Williamstown, Massachusetts, he was graduated with a degree in Bachelor of Arts and served from 1942 to 1947 in the United States Marine Corps.

He was born in New York City and resides in Wantagh, Long Island.

Kenneth C. Hall is a member of the Insurance Committee—Atomic Industrial Forum; New York Chapter, C.P.C.U.; and New York Chapter of The American Society of Insurance Management, Inc.

The responsibilities of the insurance manager in most organizations fall into at least four categories, he must:

1. Identify risk areas.
2. Evaluate the seriousness of exposure.
3. Establish loss prevention procedures to eliminate or minimize risks.
4. Arrange for proper insurance, or self-insurance, to protect the assets of his company against these risks.

These responsibilities, however, as in most jobs, are much more easily described than fulfilled. Every insurance manager is faced with a major problem in the evaluation of his firm's *real* exposure to possible third party product liability claims and in providing the necessary protection against such risks resulting from the supplying of goods and/or services to industry or the public.

It is no news to any of us that third party product liability exposure is one of the most difficult areas to properly assess and, hence, a most difficult area in which to provide "adequate" insurance protection. The only thing which seems to be clear is that from a legal standpoint the problem is getting worse instead of better, causing sleepless nights for many a thinking insurance manager and his casualty underwriters.

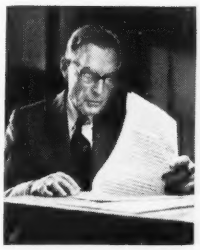
The legal concept that one whose product or service causes injury or damage to another may be held liable for damages, even though there is no direct contractural relationship between the producer of the product or services and the injured party, is still growing. This concept seems to be ever expanding, with a changing balance between consideration of the use of the product or service, its user and place of use on the one hand and the origin of the product and its intended use on the other. Under these circumstances, the initial sale of the simplest mechanism can open a virtual pandora's box of unknown risks after the manufacturer has relinquished all vestige of possession or control over the product or service.

Combining this basic product liability problem with the supplying of component parts or services to a defense network around the world produces some very sobering thoughts indeed. The fact that the ultimate user will be the Federal

(*More on page* 48)

What's the idea behind Workmen's Compensation?

Wausau Story



by The Honorable
THEODORE W. BRAZEAU
Member of the Wisconsin State Legislature in 1907 and 1909

"When I was elected to the State Legislature 54 years ago, the subject of Workmen's Compensation was certain to provoke a great old battle.

"The battle was one I felt had to be fought.

"As a practicing attorney in Wisconsin Rapids, much of my work for the lumber and paper companies there involved personal injury cases. I strongly felt the injustice of turning an injured workman away without a cent of compensation.

"At the same time, the situation was far from satisfactory for the employers too. The old Liability Laws practically made court action necessary. In fairness to both sides, a change had to be made.

"Such a change was conscientiously worked for. I'm proud that Wisconsin was the first state to adopt a Workmen's Compensation Law that was to be upheld in the courts as constitutional. As soon as the Law went into effect in 1911, Employers Mutuals of Wausau opened for business.

"In saluting Employers Mutuals of Wausau on their 50th anniversary, I recall many of the founders of this insurance company. I knew them to be honorable men. They had as their slogan 'Insure *for* your men, not *against* them.' They established a tradition of fairness, integrity and the highest of principles that is evident today. It comes as no surprise to me to hear that Employers Mutuals people are now known throughout the country as 'Good people to do business with'."

Mr. Brazeau visits the Senate Chamber in Wisconsin's Capitol in Madison. "If you were 88 years old, as I am," Mr. Brazeau says, "you would refer to this as 'The New Capitol'. Construction began in 1907. I was then serving my first term in the Legislature. I would not venture to say which is the more fitting monument to my generation: this magnificent building, or the progress in far-sighted legislation made during those years."

★ ★ ★

Employers Mutuals of Wausau has 138 offices throughout the country to provide prompt and thorough service for policyholders. We write all forms of fire, group health and accident, and casualty insurance (including automobile). We are one of the largest and most experienced underwriters in the field of workmen's compensation. We are proud of our established reputation for fast claim service and our leadership in the field of industrial accident prevention. Consult your telephone directory for your nearest Employers Mutuals representative or write us in Wausau, Wisconsin.

Employers Mutuals *of* Wausau

PIONEER UNDERWRITER OF WORKMEN'S COMPENSATION INSURANCE IN AMERICA

FOR 50 YEARS
"Good people to do business with"

Major Foreign Property and Casualty Markets

by
Harrington Putnam, Vice President
American Foreign Insurance Association

(Address Before Insurance Buyers Association of Pittsburgh, ASIM)

HARRINGTON PUTNAM

Mr. Harrington Putnam has more than 30 years of experience in the insurance business, both domestic and international. He started in 1928 with the brokerage firm of J. S. Frelinghuysen and ten years later he joined Johnson & Higgins. In 1946 Mr. Putnam entered the international field when he became associated with the American Foreign Insurance Association.

A Bachelor of Arts graduate of Princeton University '28, Mr. Putnam served in the U. S. Air Force from 1942 to 1945 attaining the rank of Major.

His career in AFIA's worldwide insurance operations began as Supervisor for Brazil in 1946—later on including Argentina, Chile, Paraguay and Uruguay—and in 1952 he was advanced to Assistant General Manager with responsibilities for the foreign branch administration of AFIA throughout South America. In 1954 Mr. Putnam was named Vice President in the New York Head Office.

Since his return to the U. S. in 1952, Mr. Putnam has contributed numerous articles on international insurance in trade magazines and lectured to general business and insurance groups throughout the country.

This article is prepared as a sketch of the practices of the major Property and Casualty markets outside North America and it attempts to call to our attention, as corporate insurance buyers, some of the differences encountered as compared with United States forms or practices. I have tried to put myself in your place and to strike a balance between fundamental generalizations versus those details that are significant from your point of view. For instance, in a foreign Fire policy, would the word "Fire", without further qualification, mean that damage from Fire following a wind storm is covered? Or, does "Explosion" include damage caused by the explosion of a boiler without any accompanying Fire? Or, does the rate times the values mean the cost to you of the insurance policy?

For the purpose of this article and noting that we are not considering reinsurance, I am arbitrarily dividing the markets of the world into these groups:

British
European
British Commonwealth and the Far East (excluding Canada)
South American
Communist

British Market

The British market is first and a distinction should be made between the London Foreign market and the United Kingdom or "Home" market. The London Foreign market is a great special risk and reinsurance center and I am sure you are quite familiar with it. In turn, this market is really three separate markets—the Tariff companies, the non-Tariff companies and Lloyds. Lloyds itself is composed of a great number of syndicates headed by individual underwriters. While this London Foreign market has value to you for large and special risks, the distances, the communication problems and the nature of the market itself do not make it easy for you to arrange quickly there those relatively small policies which you may require for immediate registration and compliance with local laws of an individual foreign country.

The United Kingdom or "Home" market is quite different. It is a local market with local requirements and local practices. What are the requirements or, to put it another way, what insurance forms are compulsory? To begin, Workmen's Compensation is included in the Social Security system of the Government and is not a subject of insurance by private companies. There is a Road Act in effect making compulsory automobile liability insurance without limit. It should be noted that Workmen's Compensation is not the sole remedy of the employee and so a separate Employers Liability policy is necessary to give full protection to the Insured. Besides mandatory insurance and Employers Liability it is usual to take out General Liability, Fire plus Named

(More on page 32)

Will Retrospective Rating Cut Insurance Costs This Year?

by
Mr. Walter M. Murray
Associate Director of Plant and Properties, New York University
and
Mr. Martin Siegel
Insurance Manager, New York University

(Reprinted from The College and University Business Magazine — March 1961)

THE many varied and erroneous concepts of retrospective rating never cease to amaze me.

A retrospective rating plan is one that is nearest to self-insurance. It is based on actual losses plus a facility for administering the program. This plan provides a means of modifying the premium paid for insurance in a given policy year in direct relation to the losses incurred in that year.

At present, retrospective rating is used most in workmen's compensation and liability insurance.

In this type of plan the premium is determined after the policy year has ended, and is influenced to a substantial degree by the losses that have occurred during the term of the policy. For this reason it may be considered as a cost-plus plan. The final premium is developed on the basis of the following elements:

1. *Standard premium.* Obtained by applying experience modification rates to payrolls for the individual classifications of workmen's compensation. The standard premium in effect is an estimate based on previous experience of what the premium cost will be for one year.

Third party liability costs are not normally based on payroll, but such factors as square foot area and number of students should be used.

2. *Minimum premium.* A percentage of the audited standard premium that will produce the lowest charge for the insurance, regardless of losses.

3. *Maximum premium.* A percentage of the audited standard premium that will produce the highest cost for the insurance, regardless of losses.

4. *Basic premium.* A percentage of the audited standard premium allows for the fixed expenses of the insurance company, excluding the cost of processing claims. This item includes profit, brokerage commissions, and a charge to limit the cost of any one accident to a specified amount.

5. *Loss conversion factor.* A pre-determined base applied to both incurred losses and claims in process. This item can be considered the expense the insurance company incurs for administering claims and expenses, including attorneys' fees and expert witnesses, in the defense of a specific claim.

6. *Tax multiplier.* A factor applied to the premium to produce the amount of state taxes your insurance carrier is obligated to pay.

7. *Loss limitation.* The maximum amount to which any one loss is limited in the calculation of the retrospective premium.

8. *Retrospective premium.* The actual premium paid out of pocket. It is based on the sum incurred, plus losses modified by the loss conversion factors, all multiplied by the tax multiplier, subject to the minimum and maximum premiums agreed upon.

9. *Excess limits.* The amount of insurance in excess of the loss limitation factor up to the limits afforded by the policy.

10. *Total cost.* The retrospective premium plus the premium for excess limits.

(Concluded on page 22)

CONSTRUCTION RISKS

Technical Aspects of Liability Insurance

by
Walter T. Meckbach
of
United States Fidelity and Guaranty Company

(Address Before Chicago Chapter, ASIM, One-Day Seminar — January 1961)

Forms of Liability Coverage

There are several forms of Liability Contract which provide the coverages pertinent to the type of risks. Basically, however, there are two—the Manufacturers and Contractors, or M&C, and the Owners's, Landlord's and Tenant's, or O.L.&T., form.

The first, the M&C, is designed for insureds whose primary Premises and Operations exposure is best measured by payroll, and the second, the O.L.&T., is designed for risks whose primary exposure is that of Premises and is best measured by area, receipts, admissions or some other appropriate basis.

Fundamentally the coverages are alike, their differences arising out of the nature of the operations conducted by the insured. Consequently the O.L.&T. policy covers the ownership, maintenance or use of premises and all operations *necessary or incidental* to the premises, while the M&C policy covers the ownership, maintenance or use of premises and *all operations*.

The M.&C. policy, on an optional basis, provides coverage for the named insured for the operations of Independent Contractors. This gives protection to the owner, or General Contractor as the case may be, for structural alterations, new construction, or demolition where the work is performed by Independent Contractors. Such work when performed by the insured's own employees is covered under Premises and Operations just as is ordinary maintenance or repairs since the payroll for these employees will be declared and a premium charged.

On the other hand, under the O.L.&T. policy, structural alterations which involve changing the size of a building, new construction, or demolition is not covered under Premises and Operations even when performed by the insured's employees and must in all cases be provided for under the appropriate definition of hazard, namely, structural alterations, new construction, or demolition.

Probably the most popular form of General Liability Contract is the Comprehensive General Liability. This is in reality an extension of the basic Schedule Liability policies and provides the same types of coverage with the added feature of automatic coverage for additional exposures.

Major Exclusions — Care, Custody & Control

All the policies mentioned exclude damage to property in the care, custody and control of the insured, or property as to which the insured for any purpose is exercising physical control. This exclusion applies to all General Liability coverages except Elevator and Contractural insurance in connection with Railroad Side-Track Agreements covered by the policy. As respects coverage for owners, the exclusion has limited effect but, on the other hand, its application to contractors can have tremendous impact.

Broad Form P.D.

In rare instances the exclusion is eliminated entirely, but generally enough can be accomplished through the medium of Broad Form Property Damage to take care of most situations. In the past, underwriters have been faced with numerous problems involving the interpretation of the "Care, Custody and Control" exclusion. On Contracting risks, the interpre-

(More on page 20)


Wherever power lives...
it takes specialists to keep it alive!
. . . Specialists with the technical knowledge and practical know-how so necessary to the exacting business of safeguarding power equipment. Hartford Steam Boiler's nation-wide organization includes more than 600 qualified and experienced field inspectors, with engineers, special agents, underwriters, claims people—all prepared to help you protect your plant against loss by accident to your boilers, pressure vessels, turbines, engines, electrical and refrigerating equipment. When your boiler and machinery insurance is with Hartford Steam Boiler you can be sure you have the best.
Since 1866, the insuring and safeguarding of power equipment has been our only business.
The Hartford Steam Boiler Inspection and Insurance Company
THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE CO.
Remember, INSPECTION is our middle name.
Hartford 2, Connecticut

CONSTRUCTION RISKS

General Area of Contractor's Liability

by
Gordon Close
of
Lord, Bissell and Brook — Attorneys

(Address Before Chicago Chapter, ASIM, One-Day Seminar — January 1961)

Common Law and Statutory Liabilities to Third Parties

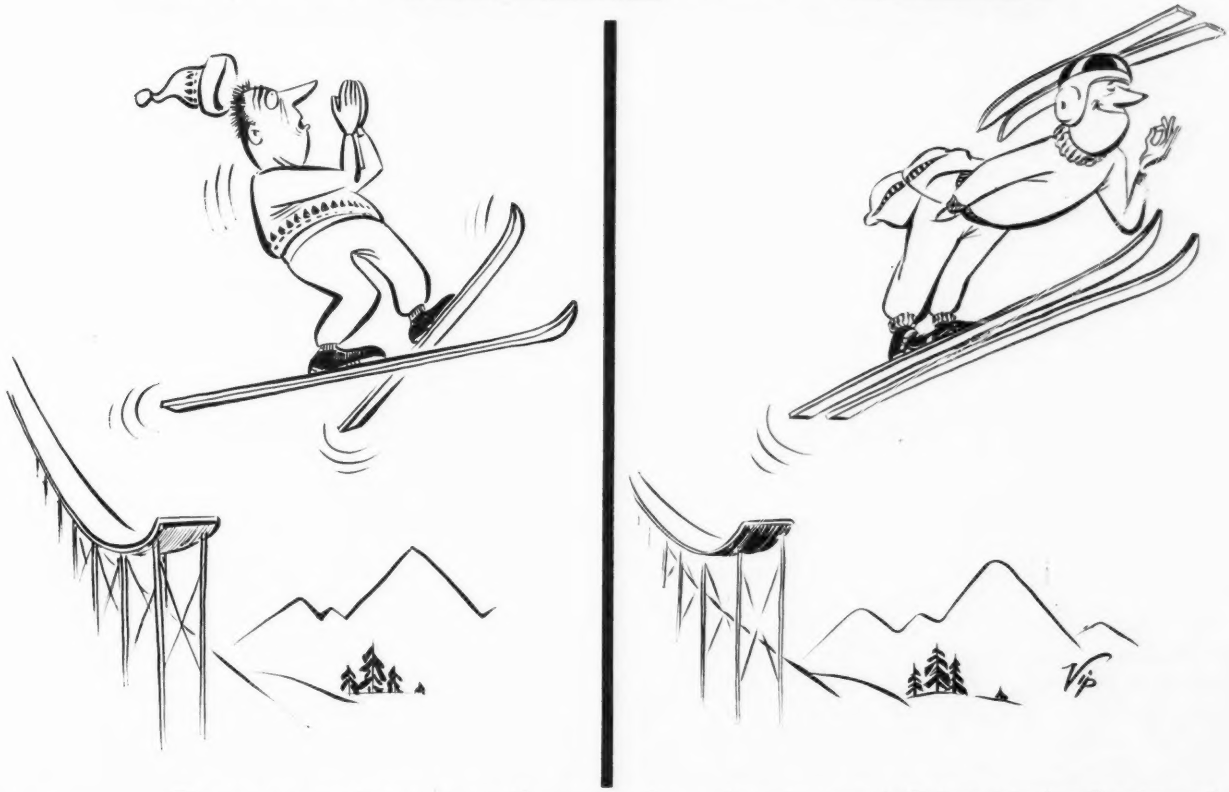
Common law and statutory liabilities to third parties can be broken down generally into four areas:

The first is your liability respecting your own negligent acts as distinguished from your liability arising out of the acts of your employees. A few examples of this category are instances where you direct excavating close to adjacent buildings without proper shoring; improper direction of blasting operations; furnishing faulty equipment to your employees; negligence in employing incompetent and unqualified operators or employees and use of faulty materials. Proceeding with remodeling or construction without proper building permits might be the basis of a charge of negligence against a contractor directly. We had an interesting incident of this not too long ago where a contractor was employed to do some extensive remodeling in a factory building. The changes involved, among other things, the removal of a stair case. For reasons best known to the owner, he did not want to obtain a building permit. The contractor obliged by going ahead with the work without the permit. During the alterations approximately 100 employees were working on the top floor of the building. They were able to enter the floor through a gangway from an adjacent building. A fire broke out and some 60 odd employees were very seriously injured. It was, of course, charged that if the stairwell had been in place, they could have left the building safely. The contractor was charged with a violation of the Municipal Code which requires him to obtain permits for making alterations of this kind. Of course, we argued that this was not the proximate cause of the injury, but the plaintiffs were able to produce an inspector of the building department of the city, who was prepared to testify that if the permit had been applied for, the city would have prohibited the use of the top floor of the building during the alterations. This filled in the gap respecting proximate cause and, finally, all cases were settled for approximately a half a million dollars.

The second category of common law liability to third party is under the doctrine of *respondeat superior* or, in other words, your liability for the negligence of your agents or employees. Under this section you are liable for any negligent acts of your employees while in the course of their employment, and under some circumstances you might even be liable for the wilful or malicious acts of the employees, if their acts are in furtherance of your business. The classical example is the watchman's becoming a little over zealous in removing a trespasser. Under this division we should give some consideration to your liability under the so-called attractive nuisance doctrine. Perhaps you have heard of the recent case in the Supreme Court where a lumber dealer delivered lumber to a construction site and stacked it in the usual and customary way. Apparently it had all the appearances of a boat to some young children playing nearby. They climbed up on the imaginary boat and were injured, and the Supreme Court held that the contractor, the owner of the property and the lumber dealer were all liable under the attractive nuisance doctrine. We had a case recently in which a builder was constructing a building adjacent to some railroad tracks and dumped a huge pile of sand near the construction area to be used on the job. Some children were attracted to the sand pile, went

(More on page 38)

Insurance should be a working partner!
Is yours prayerful.....or careful?



There are many factors to consider in choosing an insurance company for your business, including country-wide facilities, experience and financial standing. But equally important is its *underwriting approach.*

For example, a company *can* take a "prayerful" attitude . . . write your insurance at a cut price and then just trust to luck that you will have fewer losses than average. At Ætna Casualty we find a more *careful* underwriting approach produces not only sounder protection but actually *lower insurance costs* for our clients.

Working closely with your agent or broker, we first make a thorough, professional analysis of all the exposures involved in your operations. Then we tailor an underwriting plan to your individual needs . . . a plan which can translate a record of fewer losses and efficient claim handling into substantial premium savings. We come in with a *realistic* starting premium, and then work with you to reduce your insurance costs to a minimum . . . *by helping you to improve your loss record and by handling claims fairly, promptly and, thereby, economically.*

Firms insured by Ætna Casualty — including many of the nation's largest — find this approach can pay off handsomely — in fewer accidents . . . less employee lost time . . . increased production . . . more profit.

If *you* want a company that takes a careful rather than a prayerful attitude towards your insurance, it will pay you to ask your agent or broker about Ætna Casualty.

Get the insurance that works for your business

ÆTNA CASUALTY

Quality INSURANCE for individual, family, business, home and other possessions

Get the policies with the P.S.*

*Personal Service

Ætna Casualty and Surety Company • Hartford 15, Conn. • Affiliated with Ætna Life Insurance Company • Standard Fire Insurance Company • The Excelsior Life, Canada

CONSTRUCTION RISKS

Builders Risk Coverages and Wrap-Up Policy

by
**Emmet Porter, Vice President
of
Marsh and McLennan, Inc.**

(Address Before Chicago Chapter, ASIM, One-Day Seminar — January 1961)

We have read in the preceding articles of liability exposures arising from construction work both from the legal and insurance point of view. The General Liability policy excludes from coverage, property being worked upon and property in the care, custody and control of the Insured. This leads us to the important problem of adequate insurance protection on the materials, machinery, equipment and structures involved in the actual construction work. It is important that this be arranged as economically as possible and without duplication of coverage by the various parties of interest.

There is no formula to guarantee maximum protection at a minimum premium and due to the many variables, each major contract requires a careful analysis of the exposures to loss and the individual responsibility of the participating parties such as the principal and contractor.

Insurance needs for Builder's Risk are influenced by the terms of the contract, type of construction work and location.

The contract is obviously the place to start analyzing the exposure, although this document is sometimes not available in final form until the work is well underway. The cost plus contract is perhaps the easiest to work with in arranging an insurance program as it enables the principal or contractor to provide coverage for all interests under a single policy. Responsibility rests with the principal in setting up the insurance requirements in the contract as usually non-insured losses are chargeable as a cost to the job. But this is not always true and the contractor should determine in advance his responsibility for loss or damage to property which is not covered by the insurance specifications.

The turn-key type of contract usually provides that the contractor will deliver to the principal the completed work at a specified time. This obviously shifts to the contractor responsibility for all property until delivered to the principal unless it is otherwise modified. As the principal frequently makes substantial progress payments, he too will have an interest in the insurance arranged by the contractor.

Type of construction has a bearing on a Builder's Risk insurance program as fire and Extended Coverage may provide adequate protection for some construction risks while a broad form all risks policy will be desirable for others. Obviously the same insurance program will not be required for a building where the principal value is in building materials and a plant where the building is only a housing for expensive machinery and equipment.

The location of the risk will have a bearing on the insurance requirements and on the cost of coverage as for example, the loadings for windstorm in the Gulf Coast area and earthquake on the West Coast.

There is considerable variation in the type of insurance protection available for Builder's Risks, ranging from Fire and Extended Coverage to a broad comprehensive all risks form. Each has its proper application determined by a study of the exposure.

Undoubtedly more Fire and Extended Coverage Builder's Risk cover is arranged than any other kind. This is a premises cover and protects all insurable property at the locations designated for Fire and Extended Coverage perils with which you are familiar. The policy may be written on a completed value basis with about 55% of the rate applied to the completed value. This assumes that the average amount at risk for the term will be

(More on page 45)

Upsala College Launches New Experiment in Risk Management Courses

With the cooperation of New York Chapter, ASIM, Upsala College of East Orange, New Jersey, has launched a new and worthwhile experiment in conjunction with its Corporate Risk Management Course.

Under the direction of Kail-in Tuan, Assistant Professor of Insurance, Department of Business Administration, twelve students, all of senior standing, majoring either in Insurance or in Business Administration, have been assigned to a corporate insurance department in one of the industries in the New York metropolitan area.

Twelve members of New York Chapter, ASIM, have agreed to act as research counsel in their respective insurance departments, demonstrating the *working* programs of risk management in large corporations.

Under the course outlined by Upsala College, each student is required to attend classes on Risk Management on the campus and in addition, is to spend part of his time learning the fundamentals of corporate insurance management in an actual corporate insurance department.

A written research report is required, based on factual investigation and is to be submitted before the end of the Spring 1961 semester.

Members of New York Chapter, ASIM, have hailed this program a great step forward in combining theoretical and practical study in the field of Risk Management. *(It might be an ideal program for each of the chapters of The American Society of Insurance Management, Inc.)*

Technical Aspects — Meckbach

(*From page* 14)

tation of individual companies varies greatly. This leads to many difficult situations when claims develop. To improve this condition, the Broad Form Property Damage Endorsement was developed. The new endorsement still contains the exclusion regarding property owned, occupied or rented, but by re-phrasing the "Care, Custody and and Control" exclusion it clarifies the coverage and, in many cases, broadens the coverage. It has been my experience that too often the Broad Form Property Damage Endorsement has been looked upon as a complete elimination of the exclusion. This is not so.

Considerable difficulty has been found in defining owned property in connection with Contracting risks. It is intended that property manufactured or purchased by the insured and constructed or installed at premises not owned by the insured shall be considered property owned by the insured until the construction or installation is accepted by the owner. To illustrate, a Contractor is engaged to erect a building on premises not owned by him, with the Contractor furnishing all the material, damage to such material is not covered until the job is completed and accepted by the owner. However, if the terms of the Contract provide that the owner furnish the material and the Contractor has partially completed his operations, damage to the part completed is covered, except to that particular part on which operations are being performed or out of which the injury arises. For example, if the insured Contractor is erecting steel beams and has erected several of the beams and damages them or knocks them down while erecting another beam, only the beam being erected and causing the damage to the others is excluded.

Similarly, in the case of a General Contractor who is in charge of a project and damages a part of it, under present policy language the damage is excluded even though it may be work being performed by a Subcontractor. On the other hand, if a Subcontractor damages some portion of a job beyond his own operation, the damage would be covered. This produces a strange situation in which the Subcontractor has more coverage under his policy for damage to the project than the General Contractor has on his policy even though each is performing only a limited part of the entire project. Under the endorsement, the same coverage is given to the General as is given to the Subcontractor so far as their own operations are concerned and only the damage to the particular property on which the insured is working is excluded.

Coverage is also given for damage to tools and equipment not owned or hired by the insured except when being used by the insured in performing his operations.

Since premium determination for Broad Form Property Damage is a matter of judgment no strict formula can be given for its inclusion in a policy. Needless to say, its cost would be determined on the nature of the job, the probability of loss and the value of the property subject to damage.

Completed Operations

Another exclusion of particular concern to Contractors is that for Completed Operations. This can be overcome by securing Products or Completed Operations coverage which is a division of Liability policies. The coverage afforded by this division of the policy applies for accidents occurring after the work is completed, unless they occur by reason of pick-up or delivery or the existence of tools, uninstalled equipment and abandoned or unused materials. This does not necessarily mean that the work must be accepted by the owner before the coverage is effective because sometimes there is a period of delay between completion and acceptance, and Completed Operations coverage begins when the work is completed.

An oddity that occurs in connection with this coverage is that often an owner will insist that a

(*More on page* 24)

Retrospective Rating — Murray & Siegel
(*From page* 12)

Retrospective rating plans may be obtained for terms of one or three years. A number of variations are obtainable. Usually they are based upon state regulatory measures. A retrospective plan may be all-inclusive (both liability and workmen's compensation insurance being taken into consideration) or it may be written separately.

The advantages of a retrospective plan are:

1. If you have a fine safety program in effect, the cost of insurance for the institution will be less than under a guaranteed cost plan. It stands to reason that the loss factor will have a pivotal action upon the premium charges under the retrospective rating plan.

2. There is greater incentive to institute safety measures as it would be beneficial to the university financially, morally and for employee relations.

The disadvantages of a retrospective rating plan are:

1. Poor experience will be immediately reflected in the cost of the program.

2. Budgetary allocations for such a plan are somewhat difficult to project. This is true because the prognostication of future losses is based upon past experience, and this has a tendency to deviate from the norm.

Conclusion

It would seem advisable to adopt such a plan only if a successful safety program has been developed and is in the process of bearing fruit. Another factor to be considered is the size of the risk. More benefits are derived from a large retrospective premium. As an example, it is conceivable that one large loss would have a lopsided effect on a relatively small premium. If there were a large premium the effect of a large loss would not be so severe.

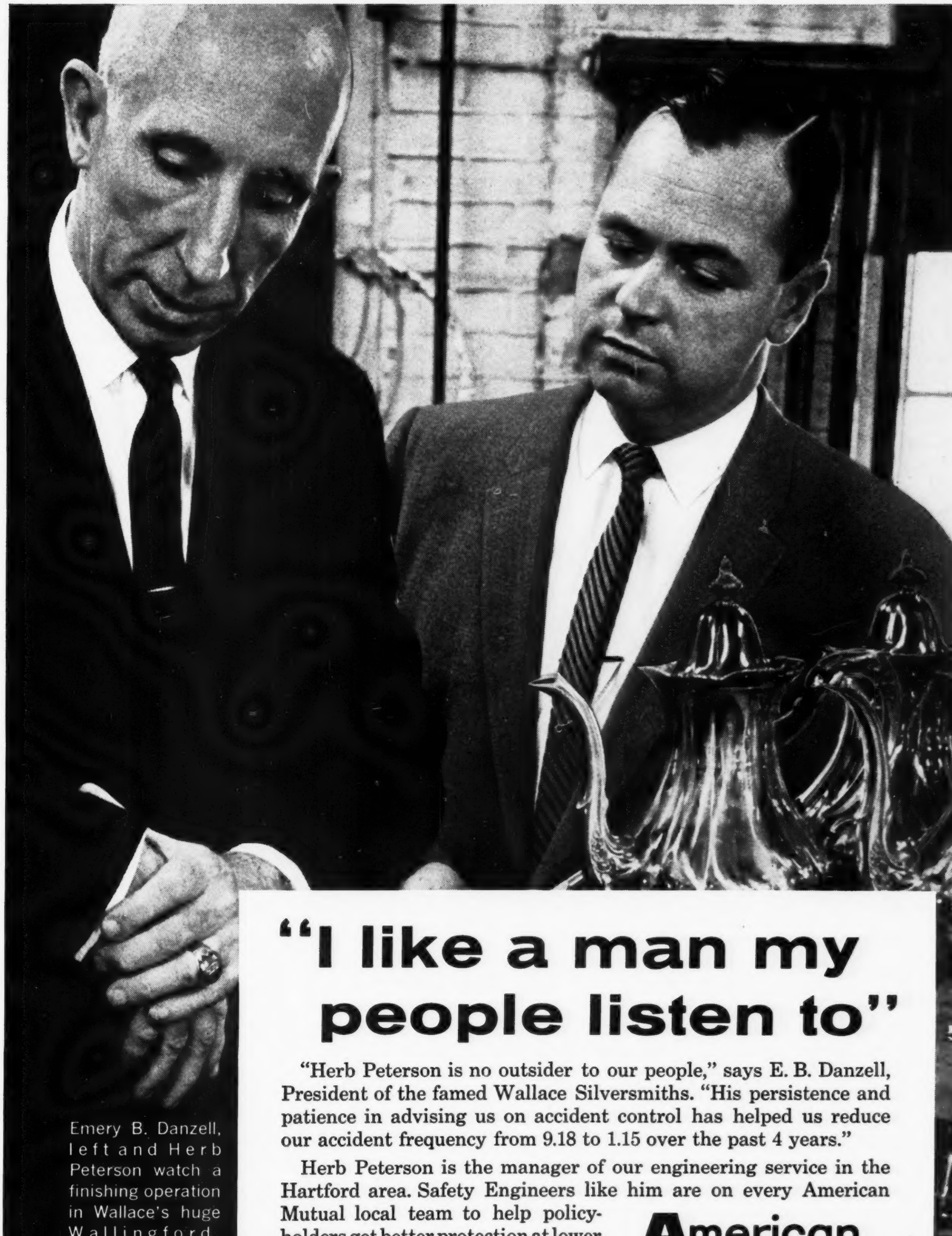
Howard R. Martin Is President of St. Louis Chapter, ASIM

Howard R. Martin of Falstaff Brewing Corporation, St. Louis, was elected president of St. Louis Chapter, the latest chapter of The American Society of Insurance Management, Inc. *(Watch for the July 1961 issue of The National Insurance Buyer.)*

Other officers are: Otto P. Blumfelder, Ralston Purina Company, vice-president; Albert L. Weiss, Thomas, Busse, Weiss, Cullen & Godfrey, treasurer; and Lytle H. Rakerd, McQuay-Norris Manufacturing Company, secretary.

Directors

Otto P. Blumfelder, Howard R. Martin, Melvin O. McKay, Granite City Steel Co.; Lytle H. Rakerd; and Albert L. Weiss.


"I like a man my people listen to"
"Herb Peterson is no outsider to our people," says E. B. Danzell, President of the famed Wallace Silversmiths. "His persistence and patience in advising us on accident control has helped us reduce our accident frequency from 9.18 to 1.15 over the past 4 years."
Herb Peterson is the manager of our engineering service in the Hartford area. Safety Engineers like him are on every American Mutual local team to help policyholders get better protection at lower cost. There's a fully staffed American Mutual office near you. You'll find it listed in the Yellow Pages.
American Mutual
LIABILITY INSURANCE COMPANY
© 1961, American Mutual Liability Insurance Company, Wakefield, Massachusetts
Emery B. Danzell, left and Herb Peterson watch a finishing operation in Wallace's huge Wallingford, Connecticut plant.

Technical Aspects — Meckbach
(*From page* 20)

Contractor carry Completed Operations coverage during the period when the job is in progress. Under these circumstances, all that is happening is that the insured Contractor is receiving protection for accidents which occur in connection with jobs which have already been completed and for which he may be held liable.

We find many published, or book, rates for Completed Operations coverage, but they are mostly for the trades—or Subcontractors, for example, carpentry, plastering, heating and air conditioning, painting. Premiums for General Contracting Operations, however, would depend on the particular job.

X. C. U.

As part of the Manufacturers and Contractors policy are exclussions of coverage for damage to property as a result of blasting, explosion, collapse, excavation, or to underground utilities caused by or through the use of mechanical equipment for excavating or drilling. These exclusions apply only as respects certain classifications and, as you might have guessed, the ones that present the most likelihood of a loss from this direction.

This can present a problem for a Contractor since unless he is familiar with the Liability Manuals and their multitude of classifications he may find himself engaged in an operation for which he will have limited coverage. As respects the exclusion of damage to underground utilities, this can generally be easily overcome. Although in theory it is an exposure that should be underwritten on a job by job basis, because there is little variance in the rates it is not unusual to write this coverage on a Blanket basis so that there would be protection whenever it is needed and without prior notice to the Company, nor negotiation of the rate for each job. Bear in mind, however, that the premium is determined by applying the rate to the appropriate payroll for *every* job whether the exposure exists or not. Let me hastily add though that in negotiating the rate initially, consideration is given to the fact that not all jobs will contain underground exposure.

X. C.

Elimination of the Explosion and Collapse Exclusions present a different problem. Here, because of the wide variation in hazard, it is almost impossible to estimate in advance with any reasonable degree of accuracy the exposure that will be faced in the future. In addition, the basic rates are higher to begin with and they are subject to much higher increased limits factors.

Coverage

There is no definition of premises in the M&C policy as respects the Premises and Operations coverage; therefore, the policy automatically picks up any changes in the operations throughout the policy year. The same is true of the Independent Contractors and Completed Operations coverage if it is afforded by the policy. The policy itself covers in the United States and Canada so that any foreign coverage would have to be arranged separately.

The O.L.&T. Schedule policy does carry a definition of premises and the policy applies to the premises designated in the declarations. However, there is automatic coverage for a thirty day period.

We urge the use of the Comprehensive Liability form since the question of coverage for exposures not contemplated at the time the policy is issued is provided for in this form. But, remember they must be operations conducted by the insured named in the policy.

Limits

A very frequent question these days is that of limits. In our present economy the $5 and $10,000 Basic Limits policy is practically extinct.

(*More on page* 26)

Technical Aspects — Meckbach
(*From page* 24)

For most classifications, the cost for increased limits is comparatively low. The exceptions are generally the classifications where a definite catastrophe hazard exists and even then, while the charge for increased limits is higher, the difference is not too great, especially in the lower limit brackets. For example, an explosive manufacturer as compared with a ball point pen manufacturer, the difference in charge for limits of \$25/50,000 B.I. is 25 points, or less than 19%, while the difference in their respective insurance costs at \$100/-200,000 B.I. limits is 31 points, but still only about 20%.

The charge in premium dollars for increased limits in the first place is low. Using a unit as a base, where can you buy two of anything for only 20% more than the price of one of the same article, yet we sell twice as much insurance protection for that small an increase. In fact, the higher we go in limits the lower becomes the relative increase; limits of \$100/200,000 can be purchased at approximately 50% of basic \$5/10,000 even though there is 20 times the coverage.

The same is true of Property Damage coverage, which seems to have been woefully neglected. Here again, ten times as much coverage can be purchased for only one third as much additional premium. It might be advisable for you to give careful consideration to the limits you are carrying, especially those of you who are now going along with low amounts.

Rating Formulas

Some general comments on Rating formulas—I need not tell you of the relationship of loss experience to premiums. The more favorable the departure of a particular risk from the normal for that type of risk the lower the insurance costs. Good loss experience does not just happen. It is the result of constant care, watchfulness and safe practices, all of which can be summed up in a good loss control program. Think of the advantage accruing to a Contractor who, because of his good loss experience which is reflected in his insurance costs, is bidding against one with not so good experience and consequent higher insurance costs. Insurance costs are but one segment of his basic expenses and they are small in comparison to lost manpower through lack of the application of a good safety program. And remember, safety is a state of mind. You've got to think safety in order to make any loss control program effective. All the safety meetings, all the slogans, all the preaching is meaningless unless you practice it.

Umbrella Policy

Finally, a word about the Umbrella policy. This is a form of coverage which is the apparent offspring of the Excess Limits Contract. It provides coverage in excess of that written in the primary policy much the same as the normal Excess Limits Contract, but in addition it gives protection but on a high deductible basis for exposures found in the primary General Liability policy, but which are uninsured. For example, quite frequently for one reason or another an insured will be without Completed Operations coverage on his primary contract. In such a situation he will have this coverage, but on a deductible basis, usually \$25,000., in the Umbrella policy.

It will also provide coverage for any reduction or exhaustion of the aggregate limits of liability under the underlying insurance by reason of the payment of losses under the underlying policy.

Coverage is on a Personal Injury basis as opposed to a Bodily Injury basis and is also on an Occurrence basis as opposed to an Accident basis. Coverage also is worldwide.

There is the usual exclusion of Workmen's Compensation benefits and injuries to fellow employees as well as a Malpractice exclusion.

PROGRAM

First Annual Insurance Conference
of
ALABAMA SOCIETY OF INSURANCE MANAGEMENT, ASIM

Thursday — June 8, 1961 **Tutwiler Hotel, Birmingham, Alabama**

CONFERENCE CHAIRMAN **Edwin M. Dixon,** Secretary-Treasurer
Harbert Construction Corporation
Birmingham, Alabama

MORNING SESSION

(Terrace Ballroom)

Chairman:

Robert L. Burr, Assistant Secretary, Credit Manager
American Cast Iron Pipe Company
Birmingham, Alabama

8:00 — *Registration*

9:00 — *Conference Opening*

M. G. Jackson, Manager, Insurance, Safety and Pension Administration — Vulcan Materials Company, Birmingham, Alabama; President of Alabama Society of Insurance Management, Inc. a chapter of The American Society of Insurance Management, Inc., and Member of the Executive Committee, ASIM.

9:15 — *Keynote Speech*

T. V. Murphy, Insurance Manager, Maryland Shipbuilding and Drydock Company, Baltimore, Maryland; and President of The American Society of Insurance Management, Inc.

Questions and Answers

10:45 — **Colonel William J. Rushton,** President — Protective Life Insurance Company, Birmingham, Alabama

Questions and Answers

12:00 Noon LUNCHEON

AFTERNOON SESSION

Chairman:

Richard Childers, Secretary-Treasurer
Moore-Handley Hardware Company, Inc.
Birmingham, Alabama

1:15 P.M. Conference Reconvenes

1:30 P.M. **Geoffery Calvert,** Vice President, Alexander & Alexander, New York, N. Y.

Questions and Answers

3:00 P.M. **Eric S. Burns,** Vice President, Employers' Reinsurance Corporation, Kansas City, Missouri

Questions and Answers

4:00 P.M. Conference Adjourns — **M. G. Jackson** — Remarks
4:15 P.M. Refreshments

Alabama Insurance Conference Is Dedicated to the Risk Manager

"Changes which have occurred in the world about us have created new and unusual risks for the business community. Industrial use of radioactive materials and atomic power, and changing social philosophy, with the increased obligations to protect and provide for others, have contributed to the development of a new profession—the Insurance Manager, whom we choose to call the Risk Manager.

Today's "Risk Manager" is a far cry from yesterday's "Insurance Clerk" whose main duties were the renewing of policies and the filing of claims. Today's Risk Manager is an important part of the management team, whose responsibility is to protect company assets, not only against insurable perils, but against all loss as far a possible. How well he deals with the risks involved may determine his company's future.

It is to the Risk Manager, who must combine many of the qualities of lawyer, engineer, accountant, economist and executive with a comprehensive knowledge of insurance, whether a part-time or full-time Insurance Manager, and by whatever title he may have, that the First Annual Insurance Conference by the Alabama Society of Insurance Management, ASIM, is dedicated."

Officers and Directors

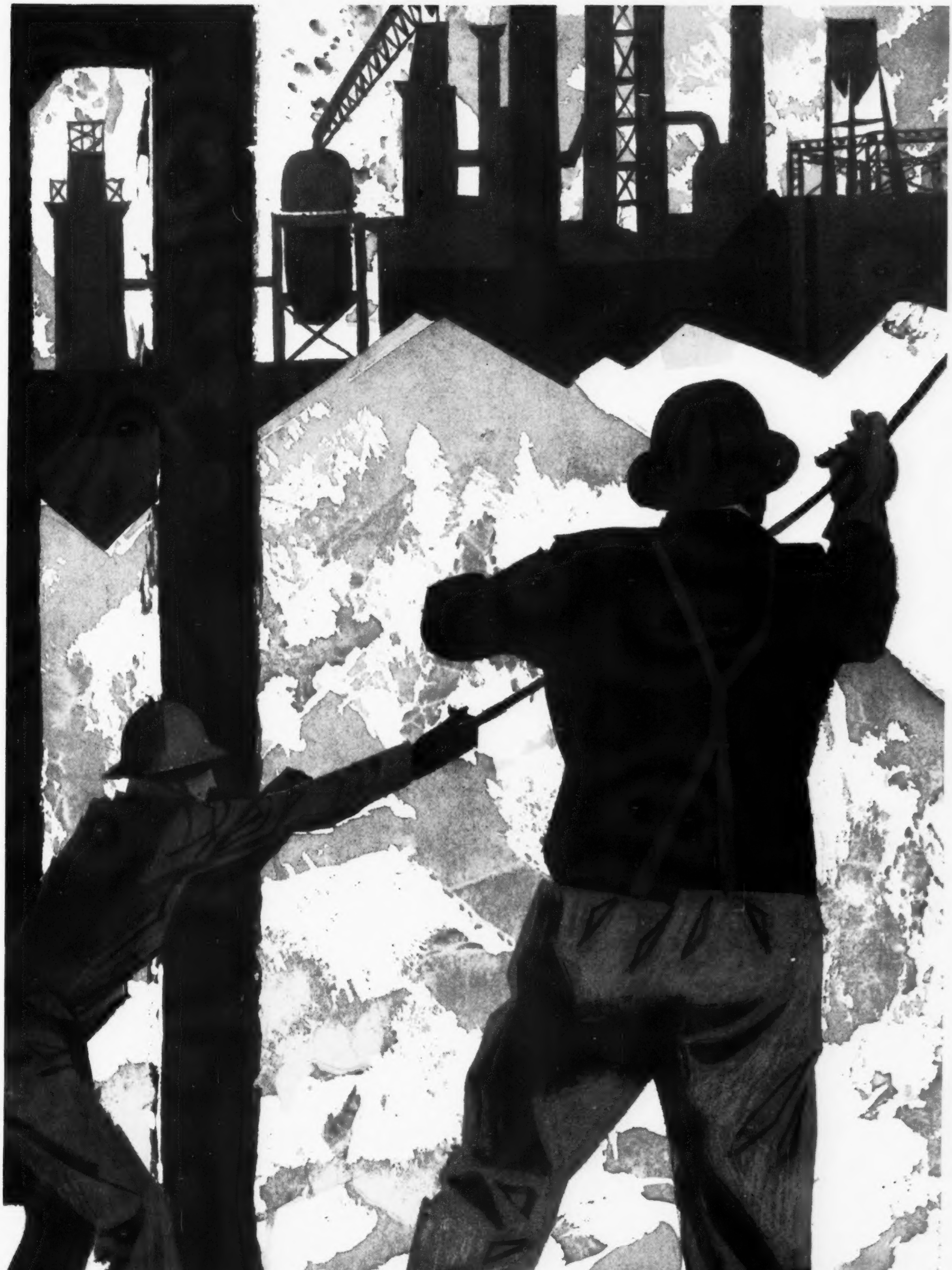
President—Director
M. G. Jackson
Vulcan Materials Company

Vice President—Director
John R. Hall
Southern Services, Inc.

Secretary and Treasurer—Director
Harold J. Wilson
The Birmingham News

Director
(Chapter Representative, Board of Directors, American Society of Insurance Management, Inc.)
Harry G. de la Torre
Jack Cole Company

Director
(Regional Vice President, American Society of Insurance Management, Inc.)
Robert G. Kenan
Southern Natural Gas Company



Major Foreign Markets — Putnam
(*From page* 10)

Perils equivalent to our Extended Cover, and in many cases, also Flood, Water Damage, and Theft. Standard Fire policies have the equivalent of a 100% coinsurance clause, but large schedules may be written on agreed amounts. Automobile insurance is frequently arranged on conditions more comprehensive than the Road Act policy which, for instance, has no provision for property damage claims or suits brought by passengers. Other forms usual, depending on the characteristics of the risk, are Boiler and Machinery, Fidelity and Crime covers, and, of course, those Marine Cargo policies appropriate to the operations.

You should note that the basic conditions of the standard United Kingdom Fire policy without amendatory endorsements, do *not* include Fire caused by Riot or Earthquake. The policy is normally written for one year and there is no cancellation provision in it. Sometimes it is extended to three years upon exchange of letters of agreement and this extension, too, does not have specific provisions for cancellation before the expiration date. Business Interruption insurance is common in the United Kingdom and the form, Loss of Profits, involves a so-called "Turnover" clause. Management may insure net profit as well as selected items of continuing expenses or standing charges. Any loss is adjusted on the difference between the projected or estimated normal turnover (sales or other specific measure) and the actual turnover during the total or partial suspension period until the actual turnover reaches again the projected or estimated normal turnover, subject to a limitation of a specified number of months. You can see the possibility here of indemnity for loss of market.

As for Liability, once you are reviewing forms outside the United States and Canada, you will find many differences in draftsmanship because the clauses are far from standard. They appear less formal in their wording than those in the United States and there is considerable difference in the insurance terminology. Accordingly, you should be very sure that the policy in question definitely covers all the exposures of the Insured.

Nowhere else in the world will you find the extent and scope of organized loss prevention and inspection services that are available in the United States. While Great Britain has excellent Boiler and Machinery and Fire inspectors, it has no one organization to compare with our Factory Insurance Association for fire protection on large risks, or that offered by our major Casualty companies for accident prevention and control in connection with employee and third party claims. This, then, is an area where you will have to work out your own program, taking advantage of the various individual British facilities.

Another interesting feature of the British domestic market is the practice, especially among some of the older and long established Insureds, of doing business directly with insurance companies without the intermediary of any agent or broker. This direct relationship, which is usually based on strong mutual financial connections and directorships, is seen as well in varying degrees throughout the entire British Commonwealth markets. Also, you should note there is no prohibition on unadmitted insurance except, of course, where a Road Act policy has to be filed.

European Market

The center of importance in economic Europe is now the European Common Market which is composed of Belgium, Luxembourg, Holland, France, West Germany and Italy. These six countries represent a combination of the principal commercial and industrial nations of the Continent and, therefore, my observations are confined to the members of this group.

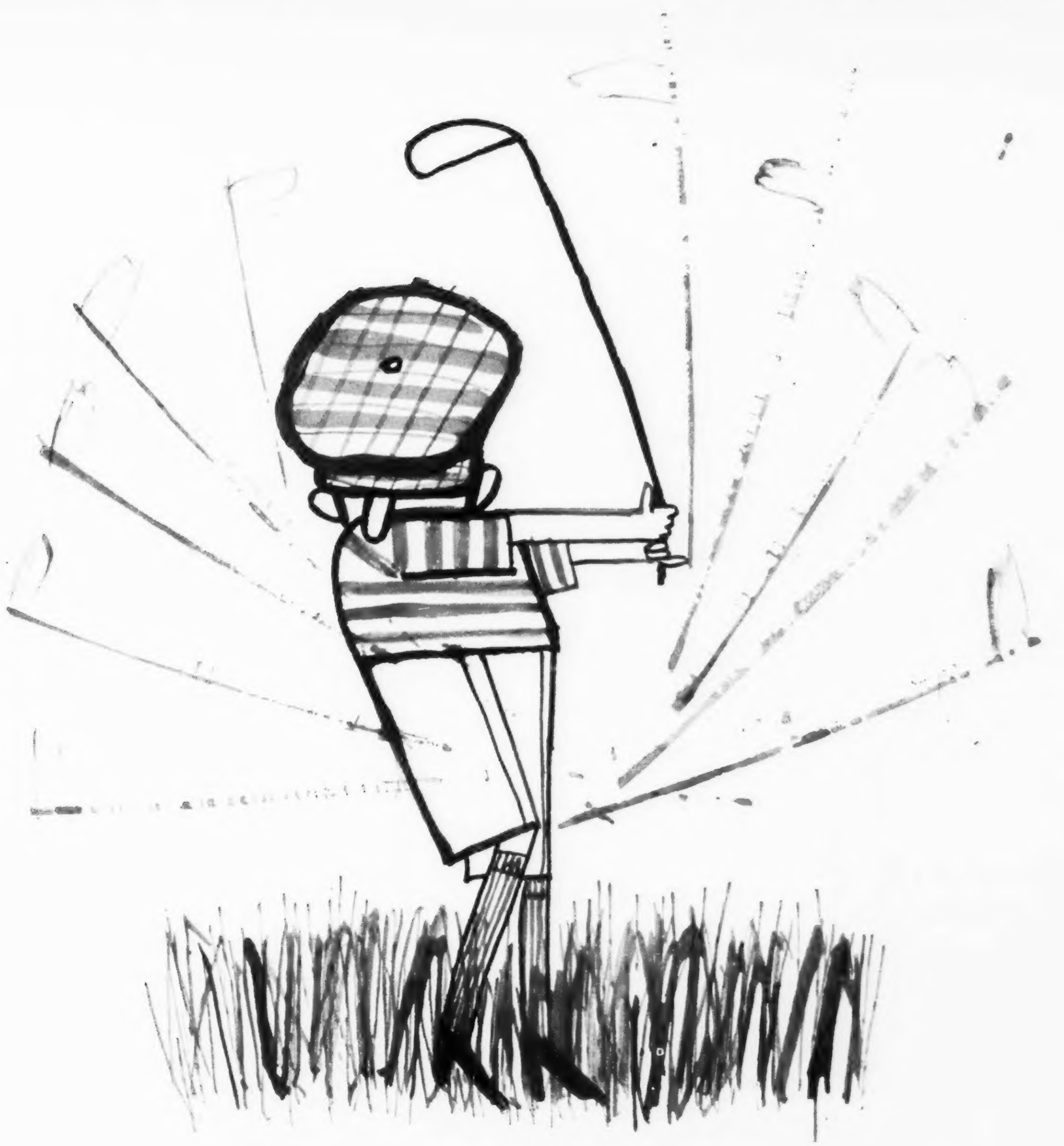
Workmen's Compensation benefits are required to be insured in all these countries and in Luxembourg, West Germany, France and Italy such insurance is provided by the State. In Holland it is written by the State and certain designated private companies and in Belgium it is written by private companies. There are exceptions and differences as to the classifications of labor covered. Especially this is so in Italy where it is customary for employers to purchase special accident protection for employees not included in the Act, and in France where farm labor does not come under the Social Security Act but is handled by another Act.

Besides these compulsory forms, it is customary for commercial and industrial Insureds to have Fire and Broad Explosion on their properties, Marine Transit, Automobile including damage to the vehicle, General Liability, Burglary and Theft, and sometimes Fidelity. Unadmitted insurance is prohibited in France and Italy. There is an Employers Liability obligation in Belgium, Holland and Italy but it is not found in France or Germany. In Belgium, Luxembourg, France, and Italy a prudent Insured would take out Neighbors and Tenants Liability for property damage as part of the Fire policy. The amount of protection purchased varies from fifty times the rental value for Tenants Liability in France to other percentages and arbitrary figures based on the local situation. An interesting point about Tenants Liability is that while the tenant is liable to the landlord, the landlord is likewise liable to the tenant, so that both parties must give consideration to this insurance.

Business Interruption insurance appears in varied forms on the Continent and is not at all as standardized as that obtainable in the United States or United Kingdom. In France there is "chomage", or cessation insurance, which when purchased provides an additional sum of 15% to 20% of the property insurance and is paid automatically on top of the claim applicable to the property insurance —a sort of extra expense insurance. However, it is also possible in France to write Loss of Profits similar to that obtainable in the United Kingdom.

Fire contracts are frequently written on collective policy forms—that is, one policy to which a num-

(*More on page* 34)



Major Foreign Markets — Putnam

(*From page* 32)

ber of companies subscribe, rather like a syndicate policy. Further, the contracts may be written for ten years with premiums payable annually and cancellation possible only under certain conditions such as a fire loss, transfer of property, disposal of stock or by special mutual agreement. In Holland there is a "tacit renewal clause" which provides that the policy is automatically renewed unless notice is given to the contrary 30 days prior to expiration. While 100% coinsurance normally applies to all standard policies, so-called first loss policies without any stated coinsurance percentage may be arranged for very large value risks. Fire and Explosion conditions on the Fire policy are quite different from those we usually see in the United States. Fire following Riot or Earthquake is not generally covered unless specifically endorsed. On the other hand, the explosion clause may be broadly worded so that it includes property damage resulting from the explosion of boilers and pressure vessels without ensuing fire. Therefore, the companies writing the equivalent of our Boiler and Machinery policy exclude explosion and insure only the machinery breakdown. In Germany and Italy the companies prepare and issue the policies, but in the other Common Market countries this work is generally done by the agent/broker. Again, as in the United Kingdom, services for fire loss prevention and protection and accident prevention are nowhere as formalized as in the United States. However, there are many excellent individuals both capable and experienced in this work and locally great reliance is placed on the standards set by the Governments and the governmental systems of inspections.

The U. S. Insurance Buyer should be aware of the fees as well as taxes for revenue purposes imposed by the Government on insurance policies. These taxes can be substantial and, for some types of policies, amount to 20% in Italy and 30% in France.

British Commonwealth Market

There are definite insurance similarities among the countries comprising the British Commonwealth and the same pattern also is evident in those other Far Eastern commercial centers whose insurance forms were and still are influenced by the British market. The countries I have in mind are Australia, New Zealand, South Africa, India, Pakistan, Singapore, Hong Kong and also Japan and the Philippines.

Workmen's Compensation provisions exist in all of these countries and while an employer may or may not be required by law to meet them by an insurance policy it is the generally accepted method. In Japan industrial employees must be insured by the Government but office workers and salesmen, who are outside the Act, may be insured by private companies. Employers Liability insurance is normally carried except in Japan where it is not common for Japanese firms and is not customarily written by Japanese insurance companies. Nevertheless, it is usual there for foreign firms and is obtainable from foreign insurance companies registered in Japan. Automobile liability insurance is mandatory except in the Philippines and the contracts of the various countries should be checked for restrictive exclusions that are not in U. S. forms. Fire insurance policies are based on a modification of the United Kingdom contract. Unless endorsed, Fire *following* Windstorm, Explosion, Riot, Earthquake and Flood is not covered but, depending upon the country, the policy is normally extended to cover direct loss caused by many of these perils as well as the resultant fire damage. Coinsurance is usually 100% to value and there is a cancellation clause. Business Interruption is reasonably common and, like that in the United Kingdom, is on a "Turnover" basis with an indemnity period of a specified number of months. Ocean Cargo and Inland Transit policies are widely written and do not present any special problems. Other insurance is obtainable such as

(*More on page* 36)

Major Foreign Markets — Putnam

(*From page* 34)

General Liability, Burglary and Theft, Payroll and occasionally Fidelity, though the latter may be by Name Schedule.

In reviewing local practices one notes the following points: Liability limits may appear very low when compared with those in the United States but still may be quite adequate in the area. Term insurance for more than one year is permitted in some countries, prohibited in others. There are agents and brokers in all these countries but, at the same time, many Insureds are in direct contact with their underwriters. There are no U. S. type programs of loss and accident prevention. Unadmitted insurance is usually not prohibited.

South American Market

Insurance in Latin America has an underlying pattern of contract wording similar to that found in the British Commonwealth but there are some very significant operational differences. While Workmen's Compensation is generally compulsory and may be part of the country's Social Security system, an Automobile Third Party Liability Act is only found in Venezuela. Yet, in Brazil, in addition to Workmen's Compensation, Fire insurance and Inland Transit are compulsory.

The insurance usually carried, besides Compensation, is Fire with some of the extended cover perils (written on a collective policy form in Brazil), Marine and Inland Transit, Burglary and Theft, Payroll and Money in Transit, Automobile, General Liability and possibly Fidelity. The Workmen's Compensation Act is in practice, if not in actual law, the sole remedy of the employee but Employers Liability insurance is obtainable for cautious employers. The wording of the contracts tends to be much less comprehensive than that of comparable U. S. forms and, again, Fire is not covered when it follows certain named perils unless so endorsed. Blanketing by location is not standard in the Tariffs. By contrast, Marine insurance is fairly similar to world standards except in Colombia and Venezuela where certain local wordings exist. The transportation difficulties can be extreme and, therefore, "All Risk" conditions are not too easily obtainable on shipments involving coastwise or long inland transit. The Automobile policy has some important exclusions which should be checked, such as driving when intoxicated or under the influence of drugs or when on other than public roads. Also, you may find the General Liability policy applies to the stated premises rather than to all the operations and exposures of the Insured. Limits are low by U. S. standards but, conversely, the factors in the table for increasing the limits are high. Normally, unadmitted insurance is prohibited. A point which is most important is the practice of the Government to obtain revenue by imposing substantial policy taxes and the rate may be as much as 30%, thereby greatly affecting evaluation of the local insurance cost.

There are strong nationalistic sentiments in these countries and one finds, for example, that only national companies are permited to operate in Peru while Uruguay's insurance is handled by the State Insurance Bank except for those relatively few companies and the classes they were writing in 1911. Obviously, the Uruguayan Insurance Bank is the exclusive underwriter in the country for all property and casualty classes introduced since that year. Truly notable in South America are the Reinsurance Institutes of Brazil, Argentina and Chile to which the companies have to cede large percentages of reinsurance. The Brazilian Institute has control of all claims in which it is involved and, specifically, it handles the Fire and Marine adjustments except where the amounts are very small. The Reinsurance Institutes in Argentina and Chile can take a strong position on a loss but the adjust-

(*Concluded on page* 42)

General Area — Close

(*From page* 16)

across the tracks to play on it and on leaving the pile and going back across the tracks were injured by a passing train. The contractor is charged with creating an attractive nuisance.

Under this category we should also give some consideration to joint venture operations. There have been quite a number of these cases in connection with the construction work on the tollway. You should have in mind that when you enter into a joint venture your liability includes responsibility for the employees of the co-venturers.

Under common law liability to third persons one should, of course, mention the contractors and owners' liability respecting inherently dangerous operations. This is particularly important from the standpoint of the owner, because the courts have held in construction jobs which create hazardous conditions dangerous to the public, the owner cannot escape liability by the employment of an independent contractor. This doctrine has been applied to tuck pointing jobs which take place over public sidewalks where the public is passing by. The courts have simply imposed a non-delegable duty on the owner to see that that operation is done safely.

Your liability as owner and contractor under the Illinois Structural Work Act or the so-called Scaffolding Act is currently the most troublesome area. Let me pass that for the moment and discuss it in connection with your liability to your own employees or to the employees of other contractors.

Liability to Workmen

As respects your own, they are of course covered under the Workmen's Compensation Act with which you are thoroughly familiar, but the liability to the employees of other contractors that may be engaged in the work on the job seems to be an ever increasing area of exposure. In this connection we should point out that up until 1952 this type of claim was virtually unheard of, because, as you all know, the Workmen's Compensation Act used to provide that once an employee received his compensation under the Workmen's Compensation Act, he was through. This was an exclusive remedy. He could only sue a third party for negligence if that third party was not also under the Workmen's Compensation Act.

(*More on page* 40)

Let a Century Serve You

The practical timely balance between century-proven stability and young aggressive leadership . . . that is what you will discover at Fred. S. James & Co. And, you'll know the "whole team" here . . . fully equipped nationally, this is an organization with the finest quality analysis, marketing and hazard control services . . . yet it is small enough that you may rest assured you always will have direct personal attention from seasoned technicians and astute executives.

Briefly, you'll find at Fred. S. James & Co. the skills that only time could instill . . . over one hundred years of continuous progress in the field of insurance!

A great many of today's leading industries and businesses, both large and small, clearly recognize the economy and safeguard afforded by insurance through Fred. S. James & Co. *A survey of your up-to-date insurance needs will convince you.* Call or write to us today.

100 YEARS OF EXPERIENCE

FRED. S. JAMES & CO.

Insurance Brokers and Consultants

CHICAGO - NEW YORK - PHILADELPHIA - BUFFALO - PITTSBURGH - MINNEAPOLIS - PORTLAND - SEATTLE
LOS ANGELES - SAN FRANCISCO - LONDON - OKLAHOMA CITY

General Area — Close
(*From page* 38)

In the decision by the Illinois Supreme Court, known as the *Grasse case* in 1952 it was held that this section prohibiting a common law action against a third party under the Act was unconstitutional. The court held in substance that the arbitrary distinction between an action against a third party who came under the act and one not under the act was an unreasonable distinction and that the rights of the injured employee could not be dependent upon such a fortuitous circumstance. Since that decision there has been a tremendous increase in cases where an employee, after receiving compensation, proceeds with a common law action against third parties, usually other contractors on the job. One of the most popular causes of action in this category since the *Grasse case* is an action under the Structural Work Act. This Act has been on the books since 1907. It was passed before the Workmen's Compensation Act and was designed to give more rights to injured employees engaged in dangerous or hazardous occupations. As I am sure you all realize, before the Workmen's Compensation Act there were some very sturdy defenses available to employers which were very difficult to overcome. These included assumption of risk, where the employer assumed the hazards of dangerous occupations; the fellow servant rule which defeated recovery for injuries of employees resulting from the negligence of co-employees. There were many other similar defenses. After the passage of the Workmen's Compensation Act in 1912 these common law actions by the employees virtually disappeared because of Section 29, prohibiting such actions against employers under the Act. After the *Grasse case*, however, this type of litigation once again became very popular and has created a terrific hazard for owners, contractors and architects alike.

The Scaffolding Act is made up of nine sections and creates several different causes of action. For example, Section 1 says that any one who erects a scaffold shall do so in a safe manner. Section 7 says that where you are building an elevator the owner and contractor must protect the opening in the shaft while it is under construction. There are other sections dealing with other phases of construction and, in some instances, they impose specific obligations on the owners or contractors, or both. Under Section 9 it is provided that all owners, contractors of other persons *in charge of* the construction shall be liable for all willful violations. This language seemed perfectly clear and all of the cases under the Act prior to the case of *Kennerly* v. *Shell Oil Co.*, which was decided in 1958 by the Illinois Supreme Court, held that the owner who employed a contractor to do a job was not "in charge of" the construction and could not be liable under the Act. However, when the Illinois Supreme Court rendered its famous, or infamous, decision in *Kennerly* v. *Shell Oil Co.*, it held the Shell Oil Co., owner, liable and said, in substance, that the obligation of the owner under the Act was a non-delegable duty and that he could not escape that duty by employing an independent contractor. This part of the decision has been interpreted as imposing absolute liability on onwers regardless of whether such owner was "in charge of" the construction. The court also held that the requirement of a willful violation did not, in fact require willful conduct, as we understand the term, but rather that if the owner knew or should have known that, for example, that scaffolding was being used, he would be held to be in willful violation of the Act if the scaffolding was in any way defective. Needless to say, following that decision, many scaffolding cases were filed and there have been many Appellate Court deci-

(*More on page* 44)

Major Foreign Markets — Putnam
(*From page* 36)

ment machinery is otherwise similar to what we are accustomed in the United States.

Market in Communist Countries

Insurance throughout all Communist controlled countries is entirely a business of the State. The State writes Life insurance and Property insurance, including Fire, Hail, Marine and other similar forms and Fire insurance may be compulsory on certain properties. In the U.S.S.R., because of the theory that the State provides complete protection for the individual, I understand there is no provision for civil liability arising out of the use of automobiles. However, in some other Communist-controlled countries, which are less rigid in the application of their Communist doctrines, the individual has obligations under civil liability and some insurance protection is obtainable.

The Russian State insurance companies are: Gosstrakh which writes business within the Soviet Union, utilizing the services of some 40,000 agents, and Ingosstrakh which handles marine insurance and reinsurance as well as the insurances of the U.S.S.R. outside of the Soviet Union. Ingosstrakh has offices in some of the countries of Eastern Europe and owns an affiliate in London, the Black Sea and Baltic General Insurance Company. Other Communist countries have organizations equivalent to Gosstrakh and some of these have placed reinsurance in the London market.

The Communist approach to insurance on property is obviously based on the reality that serious fires and other accidents can occur and that insurance is necessary and desirable to give proper equalizing protection. In this respect, the thinking is similar to that of the free world. On the other hand, there is the greatest difference from the free world in the area of the individual and his relation to the State, his personal responsibility and the laws governing that responsibility. The difference is so wide and fundamental that no significant comparison involving liability can be made unless it is done as part of a very complete study of Communist ideology.

Service by AFIA

This has been a brief synopsis of the major foreign insurance markets outside of North America. Although these markets are spread around the globe they are, except for the Communist, readily accessible to you through the international insurance organizations which have their own companies registered and writing business in foreign countries. There are a number of such companies, individual or in pools, and, depending upon the country where the risk is located, one of their offices can arrange a foreign policy written by its own company in local currency on local forms. Or, if you decide it is preferable and there are no legal obstacles, the policy can be prepared here in U. S. currency and on conditions negotiated in the United States. So you can see it is not difficult for you to deal with a foreign underwriter. Yet, the foreign underwriter's task is really enormous. In the case of my own organization, the American Foreign Insurance Association, we are admitted and operating in 75 countries of the world with the appropriate local staffs. Further, we have Area Supervisors, who formerly lived and worked in these countries but now reside in the United States, travelling to their territories at least twice a year. These men bring back information and current feeling on local situations which, in turn, can come to you through our Brokerage Department. This Department is an experienced group uniquely trained to bridge the insurance gap, as it were, between you in the United States and your foreign properties and exposures.

Insurance Consumer's Committee, ASIM

(*From page* 6)

2. That the Guiding Principles would in no manner suggest, prohibit or infringe upon the right of an assured to effect insurance, directly or indirectly, with an unlicensed insurer.

3. That the Guiding Principles would not be so worded as to suggest legislation which would tend to force an assured to place a risk with an insurer incapable or administratively incapable of properly underwriting the risk.

In view of the foregoing, your Insurance Consumers' Subcommittee submits the following Guiding Principles upon which it understands compromise agreement has been reached with the All Industry Subcommittee, with the exception of paragraphs 4, 10 and 11, which the Insurance Consumers' Subcommittee strongly feels should be incorporated in the interest of the insurance buying public.

Suggested Guiding Principles Regarding Surplus Line Insurance

1. Provide for the issuance of a license permitting the placing of surplus line business in a non-admitted insurer to a resident or non-resident licensed agent or to a resident or non-resident licensed broker and establish reasonable qualifications and license fee.

2. Provide that the business written through such licensees be placed in an insurer: (a) which is licensed in at least one state in the United States under the regulation by and subject to the discipline of a supervisory official; or (b) which maintains in the United States a trust fund for the benefit of policyholders and claimants in the United States. Provide that the foregoing limitations may be waived upon the filing with the Insurance Department a signed statement by the insured requesting insurance in a non-admitted insurer which does not meet the requiremnts of (a) or (b) hereof.

3. Require by appropriate provision that the non-admitted insurer in which such business is to be written shall be subject to process and jurisdiction of the Courts of the State, having due regard for existing law with respect thereto.

4. Require the originating agent or broker to certify in form satisfactory to the Commissioner that diligent effort has been made to place the business in acceptable admitted insurers upon reasonable terms and conditions, if there are any in the state writing the kind or class of insurance involved, and no opportunity has been found to do so.

5. Require the surplus line licensee to promptly furnish such insured written evidence of insurance, and modifications thereof, in respect to each policy effected in the non-admitted market stating that the insurance has been placed in a non-admitted insurer, the name and address of each insurer and the proportion of insurance written by each, the general nature of coverage afforded and the premium, taxes and all other charges, stated separately.

6. Require the surplus line licensee to periodically file a tax return showing the gross premiums charged for insurance procured, the return premiums on insurance canceled, and the net premium subject to tax.

7. Require the payment of a premium tax on such business commensurate with the tax or taxes payable by admitted insurers.

8. The insurance commissioner shall have authority to make regulations in accordance with statutory limitations and to investigate alleged violations. In addition, the Commissioner shall have authority to conduct such audits or other examination of surplus line licensee as he deems advisable.

9. Subject to judicial review, provide penalties for failure to comply with any provisions of the statute, including the imposition of a fine and the suspension and revocation of the surplus line licensee's license.

10. Provide that such insurance may not be placed in any non-admitted insurer for the sole purpose of obtaining a lower rate or reduced premium.

11. Recognize the right of an assured to effect insurance, directly or indirectly, with an unlicensed insurer.

Respectfully submitted,

INSURANCE CONSUMERS' COMMITTEE

Raymond A. Severin,
Chairman

General Area — Close
(*From page* 40)

sions interpreting the *Kennerly* case to impose absolute liability upon the owner. I am pleased to advise you, however, that there is still one ray of hope. Our office recently tried a case on behalf of the Chicago Milwaukee & St. Paul Railroad Co. in which the plaintiff, Mr. Gannon, a bricklayer, fell from a ladder which had been placed against the scaffolding about 10 minutes before the accident. In ascending the ladder he fell and fractured his back. The Railroad was not even there the day of the accident. The contractor was in complete charge of the job. The Railroad had nothing whatsoever to do with the supervision of the work. The trial court, following the *Kennerly case*, held that the fact the Railroad Company employed a contractor did not relieve it of its nondelegable duty as owner; that the owner knew or should have known that scaffolding was being used in connection with the bricklaying and that therefore it was guilty of a willful violation.

We appealed to the Appellate Court and argued that such an interpretation of the *Kennerly* case was improper; that in point of fact Shell Oil Co. did participate in the supervision and inspection of the construction work involved in the *Kennerly* case; that it well knew that the scaffolding used was defective and did not have a guard rail as required by the Scaffolding Act and that, therefore, the Shell Oil Co. was in charge of the construction work within the meaning of the Act and it willfully condoned violations of the Act. We attempted to distinguish the *Gannon case* where the Railroad had no part whatsoever in the construction work and had no actual knowledge of the alleged defective condition. Fortunately, the Appellate Court agreed with our position and held that the owner was not liable under the facts in the *Gannon case*. The plaintiff immediately appealed to the Supreme Court of Illinois and just last Monday I argued that case in the Supreme Court in which we asked for a clarification of the *Kennerly case*. The court did show considerable interest in the briefs and arguments and I am hopeful that we may get some relief.

"Action-Over" Claims

The last area that I mention is the liabilities you have under the so-called third party actions which are usually based upon written indemnity agreements. As you all well know, most construction contracts now contain written indemnity agreements in which the contractor agrees to protect the owner against any liability for personal injuries. This same provision is found, of course, in the contracts running from the general contractors to the subcontractors; and on cases where the owner is sued by an injured employee under the Scaffolding Act he will immediately file a third party action against the contractor under this indemnity agreement. The contractor, in turn, will file a third party action against the subcontractor so that finally the subcontractor, who has already paid his employee's compensation, finds himself defending a common law action by that employee against the owner or against the general contractor. This type of action is not limited to a written indemnity agreement, but is equally available on the theory of active-passive negligence, or primary-secondary liability. For example, in a recent case we were defending a contractor who was constructing a sewer. This contractor employed a subcontractor to remove dirt at the site of the construction and to bring in sand. In doing so a considerable amount of dirt was dropped on the highway adjacent to the construction area. It was wet and raining. The plaintiff skidded on the dirt and was involved in extremely serious injuries. She filed suit against the contractor of the sewer construction, that contractor filed a third party action against the subcontractor who was hauling the dirt. It was our contention that the subcontractor who actually placed the dirt on the highway was primarily negligent and that the general contractor's liability was secondary to the subcontractor. To put it another way, the subcontractor was quilty of active negligence while the general contractor was guilty of passive negligence. In such a case the general contractor can

(*Continued on page* 45)

"recover over" against the subcontractor. Of course, if both are guilty of active or primary negligence, they are joint tort feasors and each equally liable with no action over against the other.

This same right of action over can be based upon the implied warranty that the work will be done in a proper manner. This action, like the active-passive theory, does not require any specific written contract.

Builders Risk Coverage — Porter
(*From page* 18)

approximately 55% of the total, however, if there is reason to believe that the average will be less than this, coverage may be arranged on a reporting form. This form calls for a monthly report of values at risk. The completed value form is more popular as it eliminates the sometime difficult task of determining the value at risk each month.

Frequently Fire and Extended Coverage term policies on completed structures, exclude certain property such as foundations. During the construction period, however, such property is more subject to loss and should be included. Sometimes it is necessary to store materials or equipment away from the construction site and provision should be made to extend the policy to cover these locations. Consideration must also be given to the standard limitation as respects windstorm coverage for buildings in process of construction.

The Fire and Extended Coverage Builder's Risk policy covers the building, including fixtures and equipment which are to become a part of the building. Separate consideration must be given to machinery and equipment which are to be installed as contents as frequently such installations will be made prior to completion of the building. Where heavy complex machinery and equipment are involved, an "Installation Floater" will afford the greatest protection for this added exposure. This policy is usually written on a1 "all risk" basis and includes the transit, hoisting and some testing hazards as well as the standard Fire and Extended Coverage perils.

The Installation Floater will also afford the most complete protection for a contractor who specializes in the installation of expensive complex machinery and equipment. Such installations are frequently made in existing plants where no over-all Builder's Risk policy is in effect.

With Fire and Extended Coverage placed on a favorable basis, difference in conditions coverage may sometimes be arranged to provide additional protection needed. Also there is a limited and somewhat inactive market for collapse insurance and, of course, transportation insurance is available in many forms to meet any need for this exposure. This gives a brief summary of the protection afforded under a Standard Fire and Extended Coverage Builder's Risk policy and some of the auxiliary covers which will supplement this basic policy.

Circumstances or the particular requirements of an Insured may call for consideration of a comprehensive All Risk Builder's Risk policy. At least one company has made filings in a number of states for such policies and also other companies will provide similar coverage on special construction risks where filings are not required. These policies will provide the most comprehensive coverage available for construction risks and combine in one contract protection that would otherwise call for a number of different policies. They are particularly adaptable to plants requiring the installation and erection of heavy machinery and equipment which result in additional hazards.

Although originally designed for contractors, these policies are adaptable for the principal or principal and contractor combined.

There is some variation in the protection afforded under "All Risk" policies provided by different markets—the objective is much the same, however, which is to provide "All Risk" type of coverage for all insurable property during the construction period until accepted by the owner. "All Risk" and "All Insurable Property" as most of you fully understand are terms of reference and do not mean exactly that. This type of policy does, however, cover all materials, supplies, machinery, equipment, temporary structures and work in progress to be used in or incidental to construction, installation and completion of the work described in the policy. Contractor's tools and equipment are usually excluded as such property is more satisfactorily insured under a "Contractor's Equipment Floater" which will cover on an annual basis rather than a specific job. Accounts, bills, currency, plans, specifications and similar property are also excluded as they call for specialized coverage where this protection is needed.

The perils insured against are sometimes shown as "All Risks of direct physical loss or damage to the property insured from any external cause". This is immediately followed by an imposing list of exclusions. The reason for many of these is obvious although they should be studied carefully and thoroughly understood.

Specifically I suggest a careful study of an exclusion usually found relating to faulty design, faulty materials and improper workmanship. Flood damage too, is sometimes excluded, although this does not necessarily exclude damage resulting from heavy rainfall which may cause washouts or damage to foundations. Other exclusions normal to an "All Risk" type of policy are included, all of which should be considered in the light of the construction risk exposure.

The Debris Removal Clause is usually found in this policy as well as in the Fire and Extended Coverage Builder's Risk policy. It affords recovery for expense incurrred in the Removal of Debris of the insured property following a recoverable loss. This provides a valuable extension of coverage although usually the total recovery under the policy including — Removal of Debris is limited to the amount of insurance or express limit of liability.

(*Concluded on page* 46)

Builders Risk Coverage — Porter

(*From page* 45)

As stated earlier, the Fire and Extended Coverage Builder's Risk policies cover at the locations named in the policy. The "All Risk" form, however, is designed to attach as of the time the property becomes at the risk of the insured and covers continuously until the construction work is completed and the property is accepted by the owner. This includes transit risks within the Continental United States and Canada and while the property is stored, undergoing fabrication, construction, testing until completion and acceptance.

Experience has shown that it is advisable to have some better definition of the termination of the policy than completion, testing and acceptance to avoid misunderstanding. In chemical plants, refineries or any production plant of special design, testing could conceivably include performance tests which may continue for months after completion. Should formal acceptance be delayed the Builder's Risk coverage may continue for sometime after the plant is operating which is usually not intended at the time the policy is written.

Waiver of subrogation rights must be given careful consideration, as unless otherwise provided, the insuring company expects to exercise full rights of subrogation against carriers, bailees or any responsible person or corporation after they have paid a loss under the policy. The relationship of the contracting parties, the principal, the contractor, subcontractors, contract carriers and others must be carefully considered to determine in advance the subrogation waivers that should be provided in the policy.

In the event of loss to property which is at the risk of an owner, and insured by the owner, payment under the policy will normally cover the actual cost to repair or replace which includes the contractor's profit. If, instead, under the terms of the contract the property is at the risk of the contractor and insured by the contractor an adjustor will usually question any profit element added to the claim. Consequently, when the contractor is arranging insurance on construction work, or is included as a named Insured, provision must be made for any costs to be included in a claim which are in addition to actual out of pocket expense.

To go back briefly to property Builder's Risk insurance—we are fortunate that the market is varied and flexible. I say—fortunate—because seldom do insurance buyers agree as to what is needed. For example, I am familiar with two national accounts located in the same city and engaged in the same kind of business. One undertakes to insure all construction work and installations under a blanket policy with a full waiver of subrogation for all contractors—the other insures only selected risks and as a matter of policy will not give a waiver of subrogation to contractors except possibly under a cost-plus contract.

Whether you are the owner or contractor, it is not sufficient to arrange just any "Builder's Risk" policy—it must be designed to do a particular job. With standard coverages available to you—and variations which can be worked out—with ingenuity and through cooperation of the buyer, his broker or agent and the insuring company, I believe you can approach the goal of maximum coverage at minimum cost.

David D. Day is Re-Elected President of Delaware Valley Chapter, ASIM

At the annual meeting of the Delaware Valley Chapter, American Society of Insurance Management, Inc. held in Philadelphia on February 20th, David D. Day of American Viscose Corporation was re-elected president of the Chapter for the fiscal year 1960-61.

Also re-elected to serve with Mr. Day were: Chester H. Drummond, Campbell Soup Company as vice president; F. Joseph Bonamoni, The Budd Company as treasurer; John E. Carr, Penn Fruit Company, Inc. as secretary; Edgar C. Jones, Jr., Philadelphia Electric Company as assistant treasurer; and John D. Laupheimer, General Public Warehouse Company as assistant secretary.

The Board of Directors of the chapter for the current year in addition to Messrs. Day, Drummond and Bonamoni are: Charles R. Garton, Atlantic City Electric Company; Ernest N. Gilbert, The Penn Mutual Life Insurance Company; Thomas R. Ambler, Smith Kline and French Laboratories; T. E. Harvey, Jr., The Fidelity Mutual Life Insurance Company; Charles S. Lee, Lavino Shipping Company; William L. Higgins, United Engineers and Constructors Inc.; and Milton H. Shaw, Kaiser Metal Products Company.

Chicago Chapter, ASIM, Elects New Officers

Mr. C. Paul Kipp, Manager of Insurance for United States Gypsum Company, has been elected to serve as President of the Chicago Chapter of the American Society of Insurance Management for one year commencing February 1961. Mr. Kipp succeeds Mr. Frank A. O'Shaughnessy of Container Corporation of America.

Mr. Kenneth F. Haelsig, Assistant Treasurer of The Celotex Corporation, was elected Vice President. Mr. Geoffrey J. Burns of Continental Illinois National Bank was re-elected Treasurer and Miss Ann Auerbach of Goldblatt Bros., Inc., was re-elected Secretary.

Elected as Directors for three (3) year terms were: Mr. Robert A. Busch — Calumet & Hecla Inc.; Mr. Thomas P. Conroy — Pullman Inc.; and Mr. Dean D. Alexander —Consolidated Foods Corporation.

Ken Huston

In the March 1961 issue of The National Insurance Buyer, announcement was made of an award to Ken Huston of Consolidation Coal Company and a member of Pittsburgh Insurance Buyers Association, ASIM.

Mr. Huston received a one hundred dollar Savings Bond for the best article on "What ASIM as a National Organization Can Do For Me and The Insurance Industry in General".

His picture arrived too late for inclusion in the March issue and we thought our readers would like to see Mr. Huston's photo in this issue.

Dallas-Fort Worth Area Society of Insurance Management, ASIM Elects New Officers

At a meeting of the Dallas-Fort Worth Area Society of Insurance Management, Charles Swanner of Mobil Oil Company was elected president to succeed R. C. Harrison of American Petrofina Company of Texas, Inc.

Serving with Mr. Swanner are: Jack Hertz, Southern Union Gas Company as vice president; Larry Wallace of Otis Engineering Corporation as treasurer; and re-elected secretary was Miss Annetta M. Johnson of The Murray Company of Texas, Inc.

Directors

Directors are R. C. Harrison; C. R. Carr, Ambassador Oil Corporation; R. T. Lafferty, Lone Star Steel Company; G. M. Saunders, Gifford-Hill and Company, Inc.; Don Guest, Morton Foods, Inc.; Fred W. Silverthorn, Republic National Bank of Dallas; and E. J. Urbanus, British-American Oil Producing Company.

New Officers Are Elected for Oregon Chapter, ASIM

On February 9, 1961 Mr. E. L. Bolin, Northwest Natural Gas Company, was elected president of Oregon Chapter, ASIM.

Serving with Mr. Bolin are: Robert J. Durham, Bank of California, as vice-president; and R. L. Francis, The First National Bank of Oregon, as secretary-treasurer.

Directors for the new year are: F. L. Mattson, Jr. of West Coast Lumbermen's Association and L. H. Forsythe of the United States National Bank.

Monthly meetings have been changed from the first Wednesday of each month to the second Thursday of each month.

Defense Contractor's Liability — Hall

(*From page* 8)

government certainly cannot be relied upon to absolve the manufacturer of his normal product liability risks. In evaluating this particular type of product liability exposure, we must start with the fact that at the core of our defense network are the country's many weapons systems. The likelihood of any major accident resulting from a malfunctioning weapon is obviously very remote. It would be a perverse defense policy which protected us from external attack only by exposing us to a real risk of recurrent accidental explosions of our own weapons. However, these weapons are destructive—they are designed to be so—and, hopefully, are very destructive, indeed.

Then, compound this fact with all or any combination of the following:

> **Vast and inter-twined layers of contractors and sub-contractors, suppliers and sub-suppliers.**
>
> **The hazardous properties of many of these weapons systems: nuclear, bacteriological, exotic fuels, high explosives and many more.**
>
> **The lack of knowledge—and an inability to gain knowledge —on the part of the supplier as to the nature of other components in a given system.**
>
> **His lack of knowledge of the end use or location of his contribution.**

Under such circumstances, it is not difficult to visualize how the most harmless component can become a critical item in an extremely hazardous mechanism. This could result in a potential worldwide liability exposure to the supplier everytime he makes a sale.

The types of liability exposures and insurance coverage required in this area sweep across all segments of liability insurance—from domestic conventional coverage to worldwide nuclear coverage, with little opportunity to determine in advance which area of liability exposure may be involved in an accident resulting from the malfunction of any component part or service furnished by the contractor. The determination of the actual risk of any contractor or supplier requires a complete review of his products and/or services including their use, users, and location of final use as far as it is practicable, from a technical, legal, financial and insurance standpoint. This requires maximum lateral communication and objective evaluation by all persons involved, for it is only upon this kind of evaluation that the types and amounts of liability coverage needed can be prescribed.

In determining the size of the risk, a firm dollar value is extremely hard to fix. However, if you look at present "available" insurance with a capacity in the neighborhood of $10,000,000 for overseas nuclear exposures and $20,000,000 to $25,000,000 for the more "conventional" exposures, it is obvious that in many instances the actual risk may far exceed the ability of a contractor or supplier to protect himself and the public which he serves through existing insurance markets. It takes no stretch of the imagination in this age of atoms and space to envision an incident of sufficient size and consequence to severely damage, if not actually destroy through liability suits even the largest of this nation's defense contractors. It is a fact that no contractor can buy sufficient liability coverage in today's insurance market to protect himself against the total risks in the defense business. Even the unique and unprecedented amounts of nuclear liability insurance ($60,000,000) established by special pools to cover land-based reactors, fuel plants and like facilities would fall short of the mark in offering real protection against these major exposures.

The very nature of the defense business argues strongly against this type of pooled insurance approach as an answer to this problem. We are not dealing in this instance with a single licensee or contractor operating a land-based reactor at a fixed site but rather with a multiplicity of contractor and sub-contractor relationships and inherently dangerous products of high mobility under complete control of the government.

The question is how to protect against the risks which the defense industry should not be expected to assume. A cursory review of the situation might suggest, since the pooled insurance approach appears neither feasible nor desirable, that complete absolution of contractor risk through government indemnification might be the answer. There are, however, equally strong and compelling arguments in favor of private industry providing the private contractor or supplier with as much protection as can be reasonably extended through normal private facilities. The principle of the democratic state is based upon the sharing of reasonable risk from any endeavor by those who benefit from that endeavor. In the case of national defense, this includes the contractor industry, the insurance underwriters, the government and the public. Complete government indemnity would be a contradiction of this principle as well as a serious encroachment upon the free market of the private insurer.

While assuming risk on a basis of benefit is one thing, how the risk is split is another. Here, some of the governing factors might be:

1. The ability of a given party to obtain reasonable protection.
2. The ability of any party to determine the actual scope of the risk.
3. The ability of any party to control the risk.

Obviously, contractor's coverage against the potential catastrophic risks in the defense business by private means is totally inadequate.

In that the intended use of his product or service is in most instances known only by the government, his ability to determine the scope of the risk is greatly impaired.

The fact that the government has exclusive rights of use and

(*Concluded on next page*)

control over the location of the component or end product, contractor control over the total risk is practically non-existent.

Under these circumstances, it has been asserted that the only reasonable course is for the responsibility of protecting the contractor and the injured public against loss from incidents in the defense area beyond that which is insurable on a reasonable basis by the contractor or other private sources to rest with the Federal government. There is precedent for such action in the Price-Anderson legislation covering the civilian nuclear power field. This would seem to not only be desirable and rational but mandatory if an answer is to be found for this otherwise insoluble problem.

As in most cases, the more complex the problem, the more simple the solution should be. The same reasons which argue against the mass pooling of private insurance argue in the defense area against the specific indemnity agreements and the geographically limited coverage approach of the Price-Anderson Act. What is needed, this line of reasoning asserts, is a straightforward legislative indemnity which would apply on a worldwide basis to any and all contractors that may be involved with a defense mechanism which produces an accidental loss against which they cannot otherwise protect themselves.

Legislation on this issue has been awaiting Congressional action for three years. Many experts in this field feel that the latest bill submitted by the Department of Defense in January of his year, has some real defects. From an industry viewpoint, its lack of automatic features and an absence of a reliable indemnity in all cases where it may be needed are viewed as problems. It is understood that major elements of the insurance industry have also found the bill objectionable in its present form on the basis that it does not make sufficient provision for the continued use of private insurance and allows excessive discretionary power on the part of government agencies to use federal indemnity in lieu of rather than in excess of private insurance.

All of the above are real problems, of course. But there is actually a more basic difficulty. The compelling necessity is to secure coverage for this very real risk in some reliable form. Probably this cannot be done unless and until senior management in the defense industry becomes concerned—and that concern is forcefully made known to the appropriate governmental authorities.

The liability problems of the Defense Contractor are admittedly difficult but certainly are no more difficult than many other problems which have been successfully resolved by the defense industry in developing our National Defense Program to its present stature.

(Written especially for The National Insurance Buyer — May 1961).

New Members of the American Society of Insurance Management, Inc.

Alabama

Birmingham Regional Hospital Council

A. E. Burgess Co., Inc.

Hightower Box & Tank Company

McWane Cast Iron Pipe Co.

The Rust Engineering Company

Southern Industries Corp.

Chicago

Berry-Bearing Company

Borg Warner Corporation

John F. Chapple and Company

Chicago Steel Service Co.

Construction Aggregate Corporation

Danly Machine Specialties, Inc.

Cincinnati

DuBois Chemicals, Inc.

H. & S. Pogue Company

Cleveland

Dairypak Butler, Inc.

National Malleable & Steel Castings Co.

Pickands Mather & Co.

The White Motor Co.

Detroit

The University of Michigan

Montreal

Gillette of Canada Limited

New York

Standard Brands, Inc.

St. Regis Paper Company

Wm. Spencer & Son Corp.

U. S. Atomic Energy Commission

New Members (continued)

Oklahoma

O. R. Burden Construction Corp.

Oklahoma Natural Gas Co.

Service Pipe Line Company

Skelly Oil Company

Oregon

Tekronix, Inc.

Pittsburgh

The Murray Corporation of America

Sargent Electric Company

St. Louis

Alton Box Board Company

American Zinc, Lead & Smelting Co.

Anheuser-Busch, Inc.

Falstaff Brewing Corp.

Granite City Steel Co.

Laclede Gas Company

McQuay-Norris Manufacturing Co.

May Department Stores Company

Metal Goods Corporation

Midwest Piping Co., Inc.

Miss Hullings Cafeteria, Inc.

Mississippi Valley Barge Line Co.

Monsanto Chemical Company

Pet Milk Company

Petrolite Corporation

Ralston Purina Company

Stix, Baer, Fuller & Co.

Thomas, Busse, Weiss, Cullen & Godfrey

Union Electric Company

Washington University

Toronto

Canadian Pittsburgh Industries Ltd.

The Foundation Co. of Canada Ltd.

Principal Investments Ltd.

Universal Plumbing & Heating Co. Ltd.

NON-CHAPTERS

Louisiana

Twenty Grand, Inc.

CHAPTER DIRECTORY

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

ALABAMA SOCIETY OF INSURANCE MANAGEMENT, INC.

Meetings—Second Thursday, each month. Dinner 7 P.M.
President—M. G. Jackson, Vulcan Materials Company, Birmingham
Vice-Pres.—John R. Hall, Southern Services, Inc., Birmingham
Secy.-Treas.—Harold Wilson
Birmingham News
2200 Fourth Avenue, North
Birmingham, Alabama

ATLANTA CHAPTER

Meetings—Fourth Wednesday of each month
President—Barney E. Carnes, Jr., Delta Air Lines, Inc., Atlanta
Vice-Pres.—Allan G. Mathis, Atlanta Transit System, Inc., Atlanta
Secy.-Treas.—Robert B. Langdon
Georgia Power Company
75 Marietta Street
Atlanta, Georgia

CENTRAL ILLINOIS CHAPTER

Meetings—2nd Thursday each month. Bloomington, Illinois. Dinner 6:30 P.M.
President—Clarence Keck, Illinois Power Company, Decatur, Illinois
Vice-Pres.—Professor Edward B. Larson, Illinois Wesleyan University, Bloomington
Secy.-Treas.—William Robertson
A. E. Staley Manufacturing Co.
P. O. Box 151
Decatur, Illinois

CENTRAL MASSACHUSETTS

Meetings—(Check with Secretary)
President—Harold F. Keyes, Brown & Sharpe Mfg. Co., Providence, R. I.
Vice-Pres—Charles G. Gould, Bay State Abrasive Products Co., Westboro, Mass.
Treasurer—John L. Mattson, Fitchburg Paper Co., Fitchburg, Mass.
Secretary—Robert R. Neilson
Morgan Construction Company
15 Belmont Street
Worcester, Mass.

CENTRAL OHIO CHAPTER

Meetings—Fourth Wednesday each month, except July & August. Dinner 6:30 P.M.
President—Sam B. Garwood, Columbus & Southern Ohio Electric Company, Columbus
Vice-Pres.—C. B. Rogers, Peoples Broadcasting Corporation, Columbus
Treasurer—Bruce C. Behmer, The Jaeger Machine Company, Columbus
Secretary—James A. Biggerstaff
Anchor Hocking Glass Corp.
Lancaster, Ohio

CHICAGO CHAPTER

Meetings—3rd Thursday, each month. September-May. Dinner 6:00 P.M.
President—C. Paul Kipp, United States Gypsum Company, Chicago
Vice-Pres.—Kenneth Haelsig, Celotex Corporation, Chicago
Treasurer—Geoffrey J. Burns, Continental Illinois National Bank & Trust Co., Chicago
Secretqry—Miss Ann Auerbach
Goldblatt Brothers Inc.
333 South State Street
Chicago, Illinois

CINCINNATI AREA INSURANCE MANAGERS

Meetings—1st Wednesday each month except July & August. Luncheon 12 Noon
President—Hilliard J. Fjord, The Western & Southern Life Insurance Company (*General Insurance Committee*), Cincinnati
Vice-Pres.—Thomas N. Fisher, The Fifth Third Union Trust Company, Cincinnati
Treasurer—Haven G. Everill, Cincinnati Gas & Electric Company, Cincinnati
Secretary—Paul K. Dykes
Ohio River Company
451 Union Central Annex
Cincinnati, Ohio

CLEVELAND CHAPTER

Meetings—2nd Monday each month except July and August. Dinner
President—Julia Sullivan, The General Tire & Rubber Company, Akron
Vice-Pres.—Steven R. Penton, Oglebay Norton Company, Cleveland
Secy.-Treas.—Clayton R. James
Addressograph-Multigraph Corp.
1200 Babbitt Road
Cleveland 7, Ohio

CONNECTICUT VALLEY CHAPTER

Meetings—2nd Thursday of each month. Luncheon
President—Darrell Ames, Eastern States Farmers' Exchange, Inc., West Springfield, Mass.
Vice-Pres.—Hervey Chevrette, Scovill Manufacturing Company, Waterbury, Conn.
Treasurer—Charles Ramage, Connecticut Light & Power Co., Hartford, Conn.
Secretary—Annetta Merlino
City of Hartford
Hartford, Conn.

DALLAS-FORT WORTH AREA SOCIETY OF INSURANCE MANAGEMENT

Meeting—3rd Thursday each month. Luncheon 12:00 noon
President—Charles Swanner, Mobil Oil Company, Dallas
Vice-Pres.—Jack Hertz, Southern Union Gas Co., Dallas
Treasurer—Larry Wallace, Otis Engineering Corporation, Dallas
Secretary—Miss Annetta M. Johnson
The Murray Company of Texas, Inc.
3200 Canton Street
Dallas, Texas

DELAWARE VALLEY CHAPTER

Meetings—3rd Monday each month. Dinner 6:30 P.M.
President—David D. Day, American Viscose Corporation, Philadelphia, Pa.
Vice-Pres.—Chester H. Drummond, Campbell Soup Company, Camden, New Jersey
Treasurer—F. Joseph Bonanomi, The Budd Company, Philadelphia, Pa.
Asst. Treas.—Edgar C. Jones, Jr., Philadelphia Electric Company, Philadelphia, Pa.
Asst. Secy.—John D. Laupheimer, General Public Warehouse Company, Philadelphia, Pa.
Secretary—John E. Carr
Penn Fruit Company
P. O. Box 6122
Philadelphia 32, Pa.

INSURANCE BUYERS ASSOCIATION OF DETROIT

Meetings—3rd Wednesday each month. Dinner 6:00 P.M.
President—Nathan H. Siegel, Detroit Steel Corporation, Detroit
Vice-Pres.—J. M. Cooper, American Motors Corporation, Detroit
Treasurer—Earl M. McCarter, Burroughs Corporation, Detroit
Secretary—P. Russell Cole
Ex-Cell-O Corporation
1200 Oakman
Detroit 32, Michigan

HOUSTON SOCIETY OF INSURANCE MANAGEMENT

Meetings—2nd Wednesday each month. Luncheon 11:30
President—R. C. Lee, Sheffield Division-Armco Steel Corporation, Houston
Vice-Pres.—Frank G. Cox, Schlumberger Well Surveying Corporation, Houston
Treasurer—William D. Smith, Bank of the Southwest National Association, Houston
Asst. Secy.—A. R. Fathman, Anderson, Clayton & Co., Houston
Secretary—Robert T. McCarthy
Tennessee Gas Transmission Co.
P. O. Box 2511
Houston, Texas

CHAPTER DIRECTORY

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

MARYLAND CHAPTER

Meetings—3rd Thursday each month. Dinner 6:30 P.M. Sept.-June
President—Sherman D. Carter, Army & Air Force Exchange Service, Baltimore
Vice-Pres.—John Helfrich, National Brewing Company, Baltimore
Secy.-Treas.—Paul H. Geithner, Jr.
Ellicott Machine Corporation
1611 Bush Street
Baltimore 30, Maryland

MINNESOTA CHAPTER

Meetings—Third Tuesday each month—September through May. Dinner 6:30 P.M.
President—Allan D. Brosius, Minneapolis-Honeywell Regulator Co., Minneapolis
Vice-Pres.—Julian Mageli, Nash-Finch Company, Minneapolis
Secy.-Treas.—M. Scott Rhodes
Owatonna Canning Company
Owatonna, Minnesota

MONTREAL INSURANCE BUYERS ASSOCIATION

Meetings—Third Thursday, October through May. Luncheon 12 Noon
President—Alan A. Sharp, Distillers Corporation-Seagrams Limited, Montreal
Vice-Pres.—Colin W. Perry, Canadian Marconi Company, Montreal
Secy.-Treas.—Glen Buchanan
The Shawinigan Water & Power Co.
600 Dorchester Street West
Montreal P. Q., Canada

NEW YORK CHAPTER

Meetings—Fourth Thursday each month except July & August. Luncheon 12:30 P.M.
President—Donald W. Berry, The Borden Company, New York
1st V.P.—James S. Southwick, Ethly Corporation, New York
2nd V.P.—Robert S. Gyory, General Telephone & Electronics Corp., New York
Treasurer—Raymond A. Severin, American Metal Climax, Inc., New York
Secretary—Joseph P. Smith
Union Carbide Corp.
270 Park Ave.
New York 17, N. Y.

NORTHERN CALIFORNIA

Meetings—3rd Thursday each month. Dinner 6 P.M.
President—Justin A. Crockwell, Pacific Gas and Electric Co., San Francisco
Vice-Pres.—Donald W. Henning, Permanente Cement Company, Oakland
Treasurer—Albert J. Howard, First Western Bank and Trust Co., San Francisco
Secretary—Frank W. Ahlert
The Western Pacific Railroad Co.
526 Mission Street
San Francisco, Calif.

OKLAHOMA SOCIETY OF INSURANCE MANAGEMENT

Meetings—Third Wednesday
President—T. A. Winslow, First National Bank and Trust Company, Tulsa
Vice-Pres.—R. L. Harper, Loffiand Bros. Co.
Secy-Treas.—Frank R. Pauly
Schools and City of Tulsa
P. O. Box 4715
Tulsa 9, Oklahoma

OREGON CHAPTER

Meetings—2nd Thursday each month. Dinner 6:00 P.M.
President—E. L. Bolin, Northwest Natural Gas Co., Portland
Vice-Pres.—Robert J. Durham, Bank of California, Portland
Secy.-Treas.—R. L. Francis
The First National Bank of Oregon
400 S. W. Sixth Avenue
Portland, Oregon

INSURANCE BUYERS ASSOCIATION OF PITTSBURGH

Meetings—Alternate Tuesdays—September through May
President—John R. Kountz, The Rust Engineering Company, Pittsburgh
1st Vice-Pres.—T. G. Noel, Westinghouse Electric Corporation, Pittsburgh
2nd Vice-Pres.—A. V. Eannarino, Pittsburgh Steel Company, Pittsburgh
Treasurer—L. F. Kane, Equitable Gas Company, Pittsburgh
Secretary—Richard H. Francis
Westinghouse Air Brake Co.
3 Gateway Center
Pittsburgh 22, Pa.

ST LOUIS CHAPTER

Meetings—2nd Wednesday of each month luncheon 12:00 Noon
President—Howard R. Martin, Falstaff Brewing Corp., St. Louis
Vice-Pres.—Otto P. Blumfelder, Ralston Purina Co., St. Louis
Treasurer—Albert L. Weiss, Thomas, Busse, Weiss, Cullen & Godfrey, St. Louis
Secretary—Lytle H. Rakerd
McQuay-Norris Manufacturing Co.
2320 Marconi Ave.
St. Louis 10, Missouri

SOUTHERN CALIFORNIA

Meetings—3rd Wednesday each month. Dinner 6:30 P.M.
President—Steve Culibrk, Citizens National Bank, Los Angeles
Vice-Pres.—Norman E. Horney, Consolidated Rock Products Co., Vernon
Treasurer—W. S. Mortimer, Douglas Aircraft Company, Inc., Santa Monica
Secretary—Homer E. Rathbun
Union Oil Company of California
461 South Boylston Street
Los Angeles, Calif.

TORONTO INSURANCE BUYERS ASSOCIATION
(TIBA Ontario Incorporated)

Meetings—Second Thursday of each month
President—J. G. Hird, The Robert Simpson Company Limited
Vice-Pres.—Don M. Stuart, Canada Packers Limited
Treasurer—Fred A. Morley, Famous Players Canadian Corporation Limited
Secretary—Harold Muir
Canadian Westinghouse Co. Ltd.
Hamilton, Ontario, Canada

VIRGINIA-CAROLINA CHAPTER

Meetings—Please check with Secretary for place and date
President—Gaither T. Newnam, Smith-Douglas Co., Inc., Norfolk, Va.
Vice-Pres.—John W. Fox, Duke Power Company, Charlotte, N. C.
Treasurer—James R. Thomas, Virginia
Treasurer—James R. Thomas, Virginia Department of Highways, Richmond, Va.
Secretary—Stewart B. Foulke, Jr.
Virginia Electric & Power Company
7th and Franklin Streets
Richmond, Virginia

WASHINGTON CHAPTER

Meetings—Second Tuesday each month. Dinner 6:30 P.M.
President—E. B. Paris, Boeing Company, Seattle
Vice-Pres.—Robert J. Cotter, Simpson Timber Company, Seattle
Treasurer—Kenneth T. Worthington, Pacific Car and Foundry Company, Renton
Secretary—Hugh F. McEachern
General Construction Co.
P. O. Box 3845
Seattle 24, Washington

WISCONSIN CHAPTER

Meetings—Last Thursday each month, except June, July, August
President—Karl F. Abendroth, Milwaukee & Suburban Transport Corp., Milwaukee
Vice-Pres.—John H. Lungren, Clark Oil & Refining Corporation, Milwaukee
Treasurer—Joseph A. Hussa, The First Wisconsin National Bank, Milwaukee
Secretary—Howard G. Doersching
Milwaukee Gas Light Co.
626 East Wisconsin Avenue
Milwaukee 2, Wis.

Roster Of Member Companies

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

ALABAMA

Alabama Gas Corporation
Alabama Power Company
American Cast Iron Pipe Company
Birmingham Regional Hospital Council
The Birmingham News
A. E. Burgess Co. Inc.
The Cotton Producers' Association
EBSCO Industries
Gulf States Paper Corporation
Harbert Construction Company
Hightower Box & Tank Company
Ingalls Iron Works Company
Jack Cole Company
McWane Cast Iron Pipe Co.
Moore-Handley Hardware Co., Inc.
The Rust Engineering Company
Saunders Truck Leasing Co.
Southern Industries Corp.
Southern Natural Gas Company
Southern Services, Inc.
Vulcan Materials Company
Western Grain Company

ATLANTA

American Art Metals Company
Atlanta Newspapers, Inc.
Atlanta Transit System, Inc.
Citizens & Southern National Bank
The Coca-Cola Company
Curtis 1000 Inc.
Delta Air Lines, Inc.
Georgia Highway Express, Inc.
Georgia Power Company
H. W. Lay Company, Inc.
Lockheed Aircraft Corporation
(Georgia Division)
McDonough Construction Company
Rich's Incorporated
Southern Airways Company
Southern Airways, Inc.
Southern Nitrogen Company, Inc.

CENTRAL ILLINOIS

Caterpillar Tractor Company
Central Illinois Light Company
Commercial National Bank of Peoria
Funk Brothers Seed Company
Honeggers' & Company, Inc.
Illinois Power Company
Keystone Steel & Wire Company
Laesch Dairy Company
LeTourneau-Westinghouse Company
Mississippi Valley Structural Steel Co.
J. L. Simmons Company, Inc.
A. E. Staley Manufacturing Co.
Steak & Shake
J. L. Wroan and Sons, Inc.

CENTRAL MASSACHUSETTS

Bay State Abrasive Products Co.
Betterley Associates
Brown & Sharpe Manufacturing Co.
Draper Corporation
Fitchburg Paper Company
Grinnell Corporation
Massachusetts Mutual Life Insurance Company *(Secretary's Office-Risk Management)*
Morgan Construction Co.
Norton Company
Riley Stoker Corp.
Simonds Saw & Steel Co.
State Mutual Life Assurance Company of America *(Property and Liability Insurance Branch)*
The Vellumoid Company
Worcester Telegram Publishing Co.
Wyman-Gordon Company

CENTRAL OHIO

Anchor Hocking Glass Corporation
Battelle Memorial Institute
Clark Industries
Columbus & Southern Ohio Electric Co.
Columbus Coated Fabrics Corporation
The Cooper-Bessemer Corp.
E. I. Evans & Company
The Farm Bureau Cooperative Ass'n., Inc.
The Jaeger Machine Company
The Jeffrey Manufacturing Company
F. & R. Lazarus & Company
North American Aviation, Inc.
(Columbus Division)
Ormet Corporation
Ranco, Incorporated
The Peoples Broadcasting Corporation
Arthur I. Vorys
The Weston Paper & Manufacturing Co.

CHICAGO

Abbott Laboratories
Acme Steel Company
Admiral Corporation
Aldens Inc.
American Bakeries Company
American Hospital Supply Corp.
American Marietta Company
American Steel Foundries
Automatic Electric Company
Baxter Laboratories, Inc.
Beatrice Foods Company
Berry-Bearing Company
Bell and Howell Company
Borg-Warner Corporation
Bowman Dairy Company
Brunswick Corp.
Bureau of Safety
A. M. Castle & Company
Calumet & Hecla, Inc.
The Celotex Corporation
John F. Chapple and Company
Chemetron Corporation
Chicago, Rock Island & Pacific Railroad Co.
Chicago Steel Service Co.
City Products Corporation
Clark Equipment Co.
Collins Radio Company
Construction Aggregate Corporation
Continental Ill. Nat'l Bank & Trust Co. of Chicago
Container Corporation of America
Consolidated Foods Corporation
Crane Company
Cuneo Press, Inc.
Curtiss Candy Co.
Helene Curtis Industries, Inc.
Danly Machine Specialties, Inc.
R. R. Donnelley & Sons Co.
The Reuben H. Donnelley Corp.
Encyclopedia Britannica, Inc.
Fairbanks, Morse & Company
Fansteel Metallurgical Corporation
Lloyd A. Fry Roofing Company
General American Transportation Company
General Dynamics Corporation
(Liquid Carbonic Division)
General Finance Corporation
Goldblatt Bros., Inc.
Graver Tank & Manufacturing Co., Inc.
Edward Hines Lumber Company
Hammond Organ Company
Harper-Wyman Company
Illinois Central Railroad
Illinois Tool Works
Imperial Brass Mfg. Co.
Imperial-Eastman Corporation
Inland Steel Company
International Harvester Co.
International Minerals & Chemical Corp.
Jewel Tea Co., Inc.
Joslyn Manufacturing & Supply Corporation
Kawneer Company
Kester Solder Company
Kroehler Manufacturing Co.
LaSalle Steel Co.
Libby, McNeill & Libby
Link-Belt Company
Magnaflux Corporation
Marshall Field & Company
Masonite Corporation
Material Service Corporation
(A Division of General Dynamics Corp.)
The Meyercord Co.
Miles Laboratories, Inc.
W. H. Miner, Inc.
Montgomery Ward & Company
John Morrell & Company
Motorola, Inc.
National Standard Company
National Tea Co.
Natural Gas Pipeline of America
Northern Trust Company
Northwestern University
Pabst Brewing Company
Packaging Corporation of America
Pepsi-Cola General Bottlers, Inc.
The Peoples Gas Light & Coke Co.
Phoenix Metal Cap Co.
Pullman, Inc.
Pure Oil Company
Quaker Oats Company
Rand McNally & Company
Rathborne, Hair & Ridgway Box Co.
John Sexton & Company
Simonize Company
Skil Corporation
Spiegel, Inc.
Standard Oil Co. (Indiana)
G. D. Searle & Co.
Charles A. Stevens & Company
Stewart-Warner Corporation
St. Regis Paper Co. *(Wirebound Box Div.)*
Studebaker-Packard Corporation
The Tribune Company
United Air Lines, Inc.
United States Gypsum Company
Victor Adding Machine Co.
Walgreen Drug Stores
The Willett Company
Wisconsin Public Service Corporation
Yeomans Brothers Co.

CINCINNATI

Acme-Newport Steel Company
American Laundry Machinery Co.
Armco Steel Corporation
The Baldwin Piano Company
Bardes Corporation
Burger Brewing Company
R. K. LeBlond Machine Tool Company
The Chatfield Paper Corporation
The Cincinnati Enquirer
Cincinnati Gas & Electric Co.
Cincinnati & Suburban Bell Telephone Co.
The Dawson-Evans Construction Co.
The Drackett Company
DuBois Chemicals, Inc.
The Duriron Company, Inc.
The Eagle-Picher Company
Emery Industries, Inc.
Federated Department Stores, Inc.
The Fifth Third Union Trust Company
The Foy Paint Company
The Globe Wernicke Company
Gould Enterprises
The Andrew Jergens Company
The E. Kahn's Sons Company
The Kroger Company
The Lunkenheimer Company
The Mead Corporation
The H. H. Meyer Packing Company
H. & S. Pogue Company
The Mosler Safe Company
The Nivison Weiskopf Company
The Ohio National Life Insurance Co.
The Ohio River Company
The Procter & Gamble Company
The Provident Savings Bank & Trust Co.
The Sorg Paper Co.
Trailmobile Inc.
United States Shoe Corporation
The Western & Southern Life Insurance Co. (General Insurance Committee)
The George Wiedemann Brewing Co.

CLEVELAND

Addressograph-Multigraph Corporation
E. W. Bliss Company
Campus Sweater & Sportswear Co.
Carling Brewing Company
Central National Bank of Cleveland
Cleveland Electric Illuminating Company
Clevite Corporation
Dairypak Butler, Inc.
Firestone Tire & Rubber Company
The Gabriel Co.
The General Tire & Rubber Company
The Glidden Company
B. F. Goodrich Company
The Goodyear Tire & Rubber Company
The Halle-Brothers Company
Harris-Intertype Corp.
The Hoover Company
Hupp Corporation
Industrial Rayon Corporation
National Malleable & Steel Castings Co.
The North American Coal Corp.
Oblebay Norton Company
The Parker Hannifin Corporation
Pickands Mather & Co.
Reliance Electric & Engineering Co.
Rubbermaid Incorporated
The Timken Roller Bearing Co.
Towmotor Corporation
The White Motor Co.

CONNECTICUT VALLEY

Bridgeport Brass Co.
City of Hartford
Combustion Engineering, Inc.
Connecticut Light & Power Co.
Eastern States Farmers' Exchange, Inc.
Hartford Electric Light Co.
Hartford Gas Co.
The Fuller Brush Co.
The Kaman Aircraft Corporation
Moore Drop Forging Co.
The New Britain Machine Co.
Scovill Manufacturing Company
United Aircraft Corp.

DALLAS-FT. WORTH

Ambassador Oil Corporation
American Petrofina, Inc.
Association of Oilwell Servicing Contractors
Austin Bridge Company
The British-American Oil Producing Company
Cabot Corporation
Campbell Taggart Associated Bakeries, Inc.
Carrier-Bock Company
Chance Vought Incorporated
Champlin Oil & Refining Co.
Coca-Cola Bottling Company
Comet Rice Mills
Dallas Power & Light Co.
D. H. Byrd Enterprises
Continental-Emsco Co.
(A division of Youngstown Sheet & Tube Co.)
M. J. Delaney Co.
Delhi Taylor Oil Corp.
Delta Drilling Company
Diversa, Inc.
Dresser Industries, Inc.
Frankfort Oil Company
First National Bank in Dallas
The Frito Company
General American Oil Co. of Texas
Gifford-Hill & Co., Inc.
Great Southwest Warehouse, Inc.
Intercontinental Mfg. Company, Inc.
Jake L. Hamon
Lone Star Gas Company
Lone Star Steel Company
Mobil Oil Co.
Morton Foods, Inc.
The Murray Company of Texas, Inc.
Neiman-Marcus Company
Olmsted-Kirk Company
Otis Engineering Corp.
Dr. Pepper Company
Republic National Bank of Dallas
Rowan Drilling Company, Inc.
Southern Union Gas Company
Sun Oil Company
Temco Aircraft Corporation
Texas Delivery Service
Texas Instruments, Inc.
The Times Herald Printing Company
Tom Thumb Stores, Inc.
The T X L Oil Corporation

DELAWARE VALLEY

Alan Wood Steel Company
American Viscose Corp.
Atlantic City Electric Company
Atlas Powder Company
The Atlantic Refining Company
Bestwall Gypsum Company
The Budd Company
Campbell Soup Company
Catalytic Construction Company
Certain-teed Products Corporation
Delaware Power & Light Company
E. I. duPont de Nemours & Co., Inc.
The Electric Storage Battery Company
The Trustees of the University of Pennsylvania
Fels & Company
Fidelity Mutual Life Insurance Co.
Fidelity-Philadelphia Trust Company
Food Fair Stores, Inc.
General Coal Company
General Public Warehouse Company, Inc.
Henry Bower Chemical Mfg. Co.
Hercules Powder Company
I-T-E Circuit Breaker Company
Kaiser Metal Products
Keasbey & Mattison Company
Lavino Shipping Company
Lee Rubber and Tire Corporation
Levitt & Sons
Martin Century Farms, Inc.
Mutual Rendering Company, Inc.
Paterson Parchment Paper Co.
Penn Fruit Company
Penn Mutual Life Insurance Co.
Philadelphia Electric Company
Philadelphia Gas Works
The Philadelphia Saving Fund Society
Publicker Industries
Radio Condenser Company
Radio Corporation of America
Sandura Company
S.K.F. Industries, Inc.
Smith, Kline & French Laboratories
South Chester Tube Company
Strick Trailers *(Division of Fruehauf Trailer Co.)*
United Engineers & Constructors, Inc.
The United Gas Improvement Company

DETROIT

Acheson Industries, Inc.
Allen Industries, Inc.
American Motors Corporation
American Radiator & Standard Sanitary Corp.
Bull Dog Division I-T-E Circuit Breaker Co.
Burroughs Corporation
Chrysler Corporation
D. W. G. Cigar Corp.
Darin & Armstrong, Inc.
Davidson Brothers
The Detroit Edison Company
Detroit Gasket & Manufacturing Company
Detroit Steel Corporation
Dura Corporation
Evans Products Company
Ex-Cell-O Corporation
Fenestra, Inc.
Ford Motor Company
Fruehauf Trailer Company
Gar Wood Industries, Inc.
General Motors Corporation
Goddard & Goddard Company
The J. L. Hudson Company
Hygrade Food Products Corporation
Kelsey-Hayes Wheel Company
King-Seeley Corporation
S. S. Kresge Company
Libbey-Owens-Ford Glass Co.
R. C. Mahon Company
McCord Corporation
McLouth Steel Corporation
Michigan Bell Telephone Co.
Michigan Consolidated Gas Company
Michigan Wisconsin Pipe Line Co.
Micromatic Hone Corporation
Mueller Brass Company
The Murray Corporation of America
National Bank of Detroit
National Twist Drill & Tool Co.
Owens-Illinois Glass Co.
Parke Davis & Company
Pfiffer Brewing Company
R. L. Polk & Company
The Udylite Corporation
The Upjohn Company
The Valeron Corporation
Verners Ginger Ale, Inc.
Woodall Industries, Inc.
Wyandotte Chemicals Corporation

HOUSTON

Ada Oil Company
American Warehouses, Inc.
Anderson Clayton & Company
Bank of the Southwest National Association
Bariod Division, National Lead Company
Brown and Root, Inc.
Brown Oil Tools, Inc.
H. E. Butt Grocery Co.
The Dow Chemical Co.
Duncan Coffee Co.
El Paso Natural Gas Company
Farnsworth & Chambers Co., Inc.
Fish Services Corporation
Fisk Electric Co.
Hughes Tool Co.
Humble Oil & Refining Company
Johnston Testers, Inc.
Movible Offshore Co.
Pan Geo Atlas Corporation
Petro-Tex Chemical Corporation
Quintana Petroleum Corporation
Reed Roller Bit Co.
River Brand Rice Mills, Inc.
River Oaks Corporation
San Jacinto Petroleum Corp.
Schlumberger Well Surveying Corp.
Sheffield Steel Division of Armco Steel Corporation
A. O. Smith Corporation of Texas
Tennessee Gas Transmission Co.
Texas Manufacturers Association
Transcontinental Gas Pipe Line Corp.
Trunkline Gas Company
Uncle Ben's, Inc.
United Carbon Company
Union Carbide Chemicals Company
Union Oil & Gas Corporation of Louisiana
J. Weingarten, Inc.
Western Natural Gas Co.

MARYLAND

Army & Air Force Exchange Service
The Arundel Corporation
Baltimore Contractors, Inc.
Cafritz Construction Co.
Harry T. Campbell Sons Corp.
Catalyst Research Corporation
City Baking Company
W. T. Cowan, Inc.
Crown Central Petroleum Corp.
The Davison Chemical Corporation
Ellicott Machinery Corporation
L. Greif & Bro., Inc.
The Hecht Company
Hutzler Brothers Co.
Insurance Buyers' Council
Chas. H. Tompkins Co.
The Martin Company
Maryland Shipbuilding & Drydock Co.
McCormick & Co., Inc.
Mercantile Safe Deposit & Trust Co.
Merchants Terminal Corp.
Montgomery County, Maryland
The National Brewing Co.
Office of Naval Material Department of the Navy
Schmidt Baking Co., Inc.
Woodward & Lothrop Incorporated

MINNESOTA

Andersen Corporation
The B. F. Nelson Mfg. Co.
Cargill, Incorporated
College of St. Thomas
The Creamette Co.
Curtis 1000, Inc.
Coast to Coast Stores—Central Organization, Inc.
The Economics Laboratories, Inc.
Flour City Brush Company
Federal Cartridge Corporation
First National Bank of Minneapolis
Fullerton Lumber Company
Gamble-Skogmo, Inc.
M. A. Gedney Company
General Mills, Inc.
Green Giant Company
Theo. Hamm Brewing Company
Geo. A. Hormel & Co.
Industrial Aggregate Co.
International Milling Company
Investors Diversified Services, Inc.
Josten Manufacturing Company
Maney Bros. Mill & Elevator Co.
Mayo Clinic
Minneapolis Brewing Company
Minneapolis-Honeywell Regulator Co.
Minneapolis Star & Tribune Company
Minnesota Mining & Manufacturing Co.
Minnesota & Ontario Paper Co.
Munsingwear, Inc.
Nash-Finch Company
Northern Ordnance Inc.
Northrup-King & Company
Northwest Airlines, Inc.
W. S. Nott Company
Owatonna Canning Company
Owatonna Tool Co.
M. F. Patterson Dental Supply Co. of Minnesota
F. H. Peavey & Company
The Pillsbury Company
Red Owl Stores, Inc.
St. Paul Terminal Warehouse Co.
J. L. Shiely Company
Super Valu Stores, Inc.
Toro Manufacturing Company
Waldorf Paper Products Company
Western Oil and Fuel Company
Wood Conversion Company

MONTREAL

Aluminum Company of Canada, Ltd.
Argo Construction Ltd.
Atlas Asbestos Company Limited
Belding Corticelli Limited
Henry Birks & Sons Ltd.
The Bell Telephone Co. of Canada
The Bristol Aeroplane Co. of Canada Limited
Canada Cement Company Limited
Canada Iron Foundries, Limited
Canadair Limited
Canadian Celanese Ltd.
Canadian General Transit Co. Ltd.
Canadian Industries Limited
Canadian International Paper Company
Canadian Liquid Air Co., Ltd.
Canadian Marconi Company
Canadian Pratt & Whitney Aircraft Company, Ltd.
Canadian Salt Co., Ltd.
Canadian Schenley Ltd.
Consolidated Paper Corporation Limited
Distillers Corporation—Seagrams Limited
Dominion Bridge Company Limited
Dominion Engineering Works Limited
Dominion Glass Company Limited
Dominion Steel and Coal Corp. Ltd.
Dominion Textile Company Limited
Du Pont Co. of Canada Ltd.
The Foundation Co. of Canada Limited
Gillette of Canada Limited
Imperial Tobacco Co. of Canada Limited
Molsons Brewery Limited
Northern Electric Company, Limited
Price Brothers & Company, Ltd.
Quebec Power Company
Rolls-Royce of Canada. Limited
Seven-Up Montreal Ltd.
Shawinigan Chemicals Limited
St. Lawrence Corporation Limited
The Shawinigan Water and Power Company
Howard Smith Paper Mills Limited
Southern Canada Power Co. Ltd.
Standard Chemical Limited
Steinberg's Limited
Thor Mills Limited

NEW YORK

ACF Industries, Inc.
The Aeroflex Corporation
Alexander's Department Stores, Inc.
Allied Chemical Corporation
Allied Maintenance Corporation
Allied Stores Corporation
Amerace Corporation
American Broadcasting-Paramount Theatres, Inc.
American Bank Note Co.
American Can Company
American Chicle Company
American Cyanamid Co.
American District Telegraph Co., Inc.
American Home Products Corp.
American Machine & Foundry Co.
American Management Association
American Metal Climax, Inc.
American News Co., Inc.
American Petroleum Institute
The American Oil Company
American Radiator & Standard Sanitary Corp.
The American Thread Company
Anaconda Company
Anaconda Wire & Cable Company
Associated Dry Goods Corp.
Avco Corporation
Avon Products, Inc.
The Babcock & Wilcox Company
Becton, Dickinson and Co.
Belk Stores, Inc.
Bell Telephone Laboratories
Berkshire-Hathaway, Inc.
Bigelow-Sanford Co., Inc.
Blades & Macaulay
The Borden Company
Bristol Myers Company
Burlington Industries, Inc.
The California Oil Company
Canada Dry Corporation
Celanese Corporation of America
The Chase Manhattan Bank
The Chemstrand Corporation
Chilean Nitrate Sales Corporation
Chipman Chemical Co. Inc.
Ciba States Limited
Cities Service Petroleum, Inc.
City Stores Mercantile Company, Inc.
Coats & Clark's Sales Corporation
The Coca-Cola Export Corporation
Colgate-Palmolive Company
Columbian Carbon Company
Commercial Solvents Corporation
Commonwealth Services, Inc.
Congoleum-Nairn, Inc.
Consolidated Cigar Corp.
Consolidated Natural Gas Co.
Continental Can Company, Inc.
Continental Grain Company
Corn Products Company
Corporate Advisors, Inc.
Curtiss-Wright Corporation
Daystrom, Inc.
Diesel Vessel Operators, Inc.
Dugan Brothers, Inc.
Dow, Jones & Co., Inc.
Ebasco Services Incorporated
Electrolux Corporation
Emerson Radio & Phonograph Corp.
Esso Standard, *Division of Humble Oil & Refining Company*
Esso Research and Engineering Company
Ethyl Corporation
Federal Paper Board Co., Inc.

The First National City Bank of New York
The Firth Carpet Company
The Flintkote Company, Inc.
The F. & M. Schaefer Brewing Company
Food Machinery & Chemical Corp. *(Chemical Division)*
Foster-Wheeler Corp.
Geigy Chemical Corporation
General Aniline & Film Corporation
General Baking Company
General Dynamics Corporation
General Electric Company
General Foods Corp.
General Telephone & Electronics Corp.
Gibbs & Hill, Inc.
W. R. Grace & Company
Great Lakes Carbon Corporation
S. Gumpert Co., Inc.
M. & M.'s Candies A Division of Food Manufacturers, Inc.
Hess, Inc.
Hewitt-Robins, Inc.
Howe Sound Company
International Business Machines Corp.
Interchemical Corp.
Johns-Manville Corp.
Johnson & Johnson
Kennecott Copper Corporation
Kentile, Inc.
Keuffel & Esser Company
Knickerbocker Construction Co.
Lerner Stores Corp.
Lever Brothers Co.
Liggett & Myers Tobacco Co.
Lily-Tulip Cup Corp.
Thomas J. Lipton, Inc.
The Lummus Company
R. H. Macy & Co., Inc.
McKesson & Robbins, Incorporated
Manufacturers Trust Co.
Merritt-Chapman & Scott Corp.
Metal & Thermit Corp.
Morgan Guaranty Trust Co. of N. Y.
Philip Morris Incorporated
Muzak Corporation
National Biscuit Company
National Dairy Products Corp.
National Distillers and Chemical Corp.
National Starch & Chemical Corp.
The Nestle Company
J. J. Newberry Company
New York Herald-Tribune
New York University
Olin Mathieson Chemical Corporation
Otis Elevator Company
Pan American World Airways, Inc.
Pan American International Oil Co.
S. B. Penick & Co.
Chas. Pfizer & Co., Inc.
Pitney-Bowes, Inc.
The Pittston Company
The Port of New York Authority
Richardson-Merrell, Inc.
Refined Syrups & Sugars, Inc.
Reliance Manufacturing Company
Republic Aviation Corporation
Revlon
Rheem Manufacturing Company
Riegel Paper Corporation
Joseph E. Seagram & Sons, Inc.
Shein's Express
Simmons Company
The Sperry & Hutchinson Company
Sperry Rand Corporation
Sperry Gyroscope Co.
Standard Brands, Inc.
Standard Oil Company (New Jersey)
J. P. Stevens & Co., Inc.
St. Regis Paper Company
Wm. Spencer & Son Corp.
Sun Chemical Corporation
Sunshine Biscuits, Inc.
Tidewater Oil Co., Inc.
Union Bag-Camp Paper Corporation
Union Carbide Corporation
United Aircraft Corp.
United Merchants & Manufacturers, Inc.
U. S. Atomic Energy Commission
U. S. Industries, Inc.
United Parcel Service, Inc.
United States Plywood Corporation
United Whelan Corporation
Universal Pictures Co., Inc.
Walworth Company
West Chemical Products, Inc.
Western Electric Company
West Virginia Pulp & Paper Company
Witco Chemical Company
Worthington Corporation
Yale Express System, Inc.
Ziff-Davis Publishing Company

NORTHERN CALIFORNIA

American Trust Company & Wells Fargo Bank
Ampex Corporation
Guy F. Atkinson Company
Bank of America NT & SA
Bank of California, N.A.
Bechtel Corporation
The California Ink Co., Inc.
California & Hawaiian Sugar Refining Corp. Ltd.
California Packing Corporation
California State Chamber of Commerce
California Self-Insurers Association
Coast Service Company
Consolidated Freightways, Inc.
The Crocker-Anglo National Bank
Crown Zellerbach Corp.
Cutter Laboratories
Department of Finance — State of California
The Robert Dollar Company
E. & J. Gallo Winery
Fibreboard Products, Inc.
The First Western Bank & Trust Co.
Foremost Dairies, Inc.
Hills Bros. Coffee, Inc.
Kaiser Aluminum & Chemical Corp.
Kaiser Engineers
Kern County Land Co.
League of California Cities
Leslie Salt Company
Matson Navigation Company
Mund, McLaurin & Co. of San Francisco
Pacific Gas & Electric Company
The Pacific Telephone & Telegraph Company
Pacific Intermountain Express Company
Pacific Vegetable Oil Corp.
Permanente Cement Company
Port of Oakland
Rudiger-Lang Company
The Salvation Army
S & W Fine Foods, Inc.
Safeway Stores, Inc.
Southern Pacific Company
Spreckels Sugar Company
Standard Oil Company of California
Swinerton & Walberg Company
A. Teichert & Son, Inc.
The Union Ice Company
Union Lumber Company
United Air Lines, Inc.
Utah Construction & Mining Co.
The Western Pacific Railroad Company
Wilbur-Ellis Company

OKLAHOMA

Amerada Petroleum Corporation
O. R. Burden Construction Corp.
Champlain Oil & Refining Co.
Cities Service Company
City of Tulsa
First National Bank and Trust Co.
Helmerich & Payne, Inc.
Loffland Bros. Co.
Oklahoma Cement Company
Oklahoma Natural Gas Co.
Pan American Petroleum Corporation
Phillips Petroleum Company
Public Service Company of Oklahoma
Seismograph Corporation
Service Pipe Line Company
Sinclair Oil & Gas Company
Skelly Oil Company
Sunray Mid-Continent Oil Co.
Warren Petroleum Corporation
Wilcox Oil Company

OREGON

The Bank of California, N.A.
Blitz Weinhard Company
Columbia River Paper Co.
Columbia River Packers Association, Inc.
Convoy Company
First National Bank of Oregon
Georgia-Pacific Corporation
HYster Company
Industrial Air Products Co.
Jantzen, Inc.
Fred Meyer, Inc.
Northwest Natural Gas Company
Tektronix, Inc.
Terminal Ice & Cold Storage Company
The United States National Bank
West Coast Lumbermen's Association
White Stag Manufacturing Co.
Willamette Iron & Steel Company
Zidell Machinery & Supply Co.

PITTSBURGH

Allegheny Ludlum Steel Corporation
Aluminum Company of America
Blaw-Knox Company
Callery Chemical Company
John F. Casey Company
Consolidation Coal Company, Inc.
Crucible Steel Company of America
Dravo Corporation
Duquesne Light Company
Duquesne Slag Products Co.
Eastern Gas & Fuel Associates
Edgewater Steel Co.
Eichleay Corporation
Elliott Company
Equitable Gas Company
Fidelity Trust Company
Fort Pitt Bridge Works
Frick & Lindsay Company
Gulf Oil Corporation
Harbison-Walker Refractories Company
H. J. Heinz Company
Heyl & Patterson, Inc.
Jones & Laughlin Steel Corp.
Joy Manufacturing Co.
Koppers Company, Inc.
Mellon National Bank & Trust Company
Mine Safety Appliances Company
Mobay Chemical Co.
G. C. Murphy Company
The Murray Corporation of America
The National Steel Corporation
The National Supply Company
The National-U. S. Radiator Corporation
Neville Chemical Company
Pittsburgh Coke & Chemical Company
Pittsburgh Forgings Company
Pittsburgh Plate Glass Company
Pittsburgh National Bank
Pittsburgh Steel Company
H. H. Robertson Company
Rockwell Manufacturing Company
Rockwell-Standard Corporation
The Rust Engineering Company
Sargent Electric Company
Schaefer Equipment Company

Screw & Bolt Corporation
United Engineering & Foundry Company
Watson-Standard Company
Weirton Steel Company
West Penn Power Company
Westinghouse Air Brake Company
Westinghouse Electric Corporation
Youngstown Sheet and Tube Company

ST. LOUIS

Alton Box Board Company
American Zinc, Lead & Smelting Co.
Anheuser-Busch, Inc.
Falstaff Brewing Corp.
Granite City Steel Co.
Miss Hullings Cafeteria, Inc.
Laclede Gas Company
May Department Stores Company
McQuay-Norris Manufacturing Co.
Metal Goods Corporation
Midwest Piping Co., Inc.
Mississippi Valley Barge Line Co.
Monsanto Chemical Company
Pet Milk Company
Petrolite Corporation
Ralston Purina Company
Stix, Baer, Fuller & Co.
Thomas, Busse, Weiss, Cullen & Godfrey
Union Electric Company
Washington University

SOUTHERN CALIFORNIA

American Potash & Chemical Corp.
Aerospace Corp.
Arrowhead and Puritas Water Inc.
Baker Oil Tools, Inc.
Baker Bros.
Bekins Van & Storage Company
Belridge Oil Company
Blue Diamond Co.
(A Division of Flintkote Co.)
C. F. Braun & Co.
California Bank
Capital Records, Inc.
Carnation Company
Citizens National Bank
Consolidated Rock Products Co.
Consolidated Western Steel Division of U. S. Steel Corporation
The Copley Press, Inc.
Cyprus Mines Corporation
Desilu Productions, Inc.
Douglas Aircraft Company, Inc.
The Flintkote Company (Pioneer Division)
The Fluor Corporation, Ltd.
Forest Lawn Company
The Garrett Corporation
Garrett and Company, Inc.
Convair — A Division of General Dynamics Corporation
Gladding, McBean & Company
Global Van Lines, Inc.
Graham Brothers, Inc.
Griffith Company
The Alfred Hart Company
Hughes Aircraft Company
Hunt Foods & Industries, Inc.
Kaiser Steel Corporation
Kobe, Inc.
Latchford Glass Company
Litton Industries, Inc.
Lockheed Aircraft Corp.
Macco Corporation
Marquardt Corporation
The McCulloch Corporation
Metro-Goldwyn-Mayer Pictures
Monolith Portland Cement Company
North American Aviation, Inc.
Northrop Corporation
Owl Enterprises
Pacific Airmotive Corporation
Ramo-Woolridge Division
Thompson Ramo Woolridge, Inc.
Richfield Oil Corporation
Rohr Aircraft Corporation
San Gabriel Valley Water Co.
Security First National Bank
Signal Oil & Gas Company
Southern California Edison Company
Southern California Gas Co.
Space Technology Laboratories, Inc.
Sparkletts Drinking Water Corporation
Sun Lumber Company
Superior Oil Company
Tidewater Oil Company
Title Insurance and Trust Company
Union Bank
Union Oil Company of California
United States Borax & Chemical Corp.
Von's Grocery Company
Western Airlines, Inc.
M. H. Whittier Company

TORONTO

Abitibi Power & Paper Co. Ltd.
Acme Paint & Varnish Limited
Addressograph-Multigraph of Can., Ltd.
Alsco Products of Canada, Ltd.
American Standard Products (Canada) Ltd.
The Borden Company, Limited
Toronto Star Limited
Brewers' Warehousing Co., Ltd.
The British American Oil Co., Ltd.
Canada Life Assurance Company
Canada Packers, Ltd.
Canada Wire & Cable Co., Ltd.
Canadian Pittsburgh Industries Ltd.
Canadian Bechtel Limited
Canadian General Electric Co., Ltd.
Canadian Motorways Management Corp. Ltd.
Canadian Oil Companies, Limited
Canadian Westinghouse Company, Ltd.
Coca-Cola, Ltd.
Combined Enterprises, Ltd.
The Consumers' Gas Company
The de Havilland Aircraft of Canada, Ltd.
Dominion Foundries & Steel, Ltd.
Dominion Stores Limited
Duplate Canada Limited
The Electric Storage Battery Co., Canada, Ltd.
Falconbridge Nickel Mines Limited
Famous Players Canadian Corp., Ltd.
Ford Motor Company of Canada, Ltd.
The Foundation Co. of Canada Ltd.
Firestone Tire & Rubber Company of Canada, Ltd.
General Steel Wares Limited
The Goodyear Tire & Rubber Company of Canada, Ltd.
The Hydro-Electric Power Commission of Ontario
Imperial Oil, Ltd.
John Inglis Co., Ltd.
International Harvester Co. of Canada, Ltd.
S. S. Kresge Company, Ltd.
Lever Brothers, Ltd.
Massey-Ferguson, Ltd.
Moore Corporation Limited
National Trust Company, Ltd.
Nestle (Canada) Ltd.
A. S. Nicholson and Son Limited
Noranda Mines, Ltd.
The Odeon Theatres (Canada) Ltd.
The Ontario Paper Co. Ltd.
Philips Electronics Industries, Ltd.
Photo Engravers & Electrotypers, Ltd.
Pitney-Bowes of Canada, Ltd.
Principal Investments Ltd.
The Proctor & Gamble Company of Canada, Ltd.
Reichhold Chemical (Canada) Limited
A. V. Roe Canada, Ltd.
Shell Oil Company of Canada, Ltd.
Simoniz Company Limited
The Robert Simpson Co. Ltd.
Smith Transport Limited
Spruce Falls Power & Paper Co., Ltd.
The Steel Company of Canada, Ltd.
Terminal Warehouses, Ltd.
The Toronto General Trusts Corp.
Toronto Star Limited
Trane Company of Canada, Ltd.
Trans-Canada Pipe Lines Limited
Union Carbide Canada Limited
Universal Plumbing & Heating Co. Ltd.
Ventures Limited
Victory Soya Mills, Ltd.

VIRGINIA-CAROLINA

American Enka Corporation
Belk Stores, Inc.
Burlington Industries, Inc.
The Chesapeake Corporation of Virginia
Duke Power Company
Farmers Cooperative Exchanges, Inc.
Larus & Brother Company, Inc.
Miller & Rhoads, Inc.
Newport News Shipbuilding & Drydock Co.
Noland Company, Inc.
Overnite Transportation Company
RF & P Railroad Company
Reynolds Metals Company
Smith-Douglass Company
Southern States Corporation
Union Bag-Camp Paper Company
Virginia Department of Highways
Virginia Electric & Power Company

WASHINGTON

Alaska Packers Association
Boeing Company
General Construction Company
Halferty Canneries, Inc.
Ketchikan Pulp Company
New England Fish Company
Pacific American Fisheries, Inc.
Pacific Car and Foundry Company
(Kenworth Motor Truck Company Division)
Pacific Gamble Robinson Co.
Peoples National Bank of Washington
Pioneer Sand & Gravel Company
Puget Sound Bridge & Drydock Company
Puget Sound Power & Light Company
Seattle First National Bank
Simpson Timber Company
University Properties, Inc.
West Coast Airlines, Inc.
Weyerhaeuser Company
Whiz Fish Products Company
Howard S. Wright Construction Company

WISCONSIN

Allen-Bradley Company
Amity Leather Products Co.
Basic Products Corporation
Baso, Inc.
Briggs & Stratton Corporation
Bucyrus-Erie Co
J. I. Case Company
Chain Belt Company
Clark Oil & Refining Corporation
Cutler-Hammer, Inc.
Downing Box Company
Evinrude Motors
First Wisconsin National Bank
Glen Manufacturing Co.
Globe-Union, Inc.

Harnischfeger Corporation
S. C. Johnson & Son, Inc.
Kimberly-Clark Corporation
Koehring Company
Kurth Malting Company
Ladish Co.
Line Material Industries, McGraw-Edison Company
Louis Allis Company
Marathon (*A Division of American Can Co.*)
Miller Brewing Company
Milprint, Inc.
Milwaukee Gas Light Co.
Milwaukee & Suburban Transport Corp.
Outboard Marine Corporation
Red Star Yeast & Products Co.
Ed. Schuster & Co. Inc.
A. O. Smith Corporation
Albert Trostel & Sons Company
Wisconsin Bridge & Iron Company
Wisconsin Electric Power Co.

Illinois

Barber-Colman Co.
Barber-Green Company
Deere & Company
Sundstrand Machine Tool Company

Indiana

Eli Lilly and Company
Insurance Audit & Inspection Co.

Iowa

The Rath Packing Company

Kansas

Boeing Company (Wichita Division)
The Carey Salt Company
Nationwide Trailer Rental System, Inc.

Louisiana

The California Oil Company
Standard Fruit and Steamship Company
Twenty Grand, Inc.
United Gas Corporation

Maine

Central Maine Power Company
Great Northern Paper Co.
John H. Magee

Massachusetts

Boston Housing Authority
Cabot Corp.
Gillette Safety Razor Co.
Howard D. Johnson Company
C. H. Sprague & Son Company

Michigan

Gerber's Baby Foods

Missouri

W. S. Dickey Clay Mfg. Co.
Laclede Steel Company
Panhandle Eastern Pipe Line Co.
The Seven-Up Company

New Hampshire

Brown Company

New Jersey

Mr. William Cole
Federal Pacific Electric Co.
Merck & Company Inc.

New York

Carrier Corporation
Corning Glass Works
Mohasco Industries, Inc.
New York State Electric & Gas Corp.
Will & Baumer Candle Company

NON-CHAPTER MEMBERS

Alabama

Morrison Cafeterias Consolidated Inc.

Arkansas

The Crossett Company

Colorado

Colorado Fuel & Iron Corp.

Florida

Mercury Motor Express, Inc.
Ryder System, Inc.

Louisiana

Twenty Grand, Inc.

Tennessee

Miller's, Inc.

Ohio

The American Crayon Company
The M. A. Hanna Co.
The Ohio Oil Company

Oklahoma

Oklahoma Gas & Electric Company

Pennsylvania

AMP Incorporated

Rhode Island

Gorham Manufacturing Company

Tennessee

Hardwick Stove Company
Miller's, Inc.

Vermont

Central Vermont Public Service Corp.
The National Life Insurance Co. (*Property & Liability Insurance Dept.*)

Washington, D.C.

National Lumber Manufacturers Association

West Virginia

Pennsylvania Glass Sand Corp.
Weirton Steel Company

Wisconsin

Nordberg Manufacturing Co.
Fred Rueping Leather Company

Canada

British Columbia Electric Co. Ltd.
Legrade Inc.
Western Canada Breweries Limited

France (Paris)

Standard Oil Company of New Jersey

Puerto Rico

Commonwealth Oil Refining Co. Inc.

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

PETER A. BURKE, Managing Director
8 WEST 40th STREET
NEW YORK 18, N. Y.

OFFICERS

President

T. V. MURPHY
Maryland Shipbuilding & Drydock Co.
P. O. Box 537
Baltimore 3, Maryland

1st Vice President

C. HENRY AUSTIN
Standard Oil Company (Indiana)
910 South Michigan Avenue
Chicago, Illinois

2nd Vice President

CHARLES H. THIELE
Federated Department Stores, Inc
222 West Seventh Street
Cincinnati 2, Ohio

Secretary

MERRITT C. SCHWENK, JR.
Fruehauf Trailer Company
Detroit, Michigan

Treasurer

F. W. NORCROSS
The Budd Company
2450 Hunting Park Avenue
Philadelphia 32, Pa.

REGIONAL VICE-PRESIDENTS

R. S. JOHNSEN
St. Paul Terminal Warehouse Co.
4255 Eighth Street
St. Paul 1, Minnesota

ROBERT G. KENAN
The Southern Natural Gas Company
Watts Building
Birmingham 2, Alabama

JOHN R. KOUNTZ
The Rust Engineering Co.
930 Fort Duquesne Boulevard
Pittsburgh 22, Pa.

WILLIAM A. MILLER
Richfield Oil Corporation
555 South Flower Street
Los Angeles 17, California

DAVID C. MORRIS
Chance Vought, Incorporated
P. O. Box 5907
Dallas, Texas

GAITHER T. NEWNAM
Smith-Douglas Company, Inc.
Norfolk, Virginia

FRANK W. PENNARTZ
Food Fair Stores, Inc.
2223 E. Allegheny Avenue
Philadelphia, Pa.

RICHARD PROUTY
Norton Company
Worcester 6, Mass.

ALAN A. SHARP
Distillers Corporation-Seagrams Limited
1430 Peel Street
Montreal, P. Q., Canada

RICHARD TIERNEY
McDonough Construction Company of Georgia
1958 Monroe Drive, N.E.
Atlanta 9, Georgia

E. R. ZIMMERMAN
The American Bakeries Company
919 North Michigan Avenue
Chicago, Illinois

BOARD OF DIRECTORS

EDWARD W. ALTSTAETTER II
North American Aviation, Inc.
4300 East Fifth Avenue
Columbus 16, Ohio

DARRELL S. AMES
Eastern States Farmers' Exchange, Inc.
West Springfield, Mass.

A. A. BAKER
Funk Bros. Seed Company
Bloomington, Illinois

H. J. BOEHMER
Rockwell-Standard Corporation
Corapolis, Pa.

DAVID D. DAY
American Viscose Corporation
1617 Pennsylvania Blvd.
Philadelphia, Pa.

HARRY DE LA TORRE
Jack Cole Company
P. O. Drawer 274
Birmingham, Alabama

LEO M. FAETZ
Quaker Oats Company
Merchandise Mart Plaza
Chicago 54, Ill.

HILLIARD J. FJORD
The Western & Southern Life Ins. Co.
(*General Insurance Committee*)
400 Broadway
Cincinnati 1, Ohio

G. L. FOLEY
Humble Oil Refining Co.
P. O. Box 2180
Houston, Texas

J. G. HARPER
Northern Electric Company Ltd.
1050 Beaver Hall Road
Montreal, P. Q., Canada

JOSEPH R. HILMER
S. C. Johnson & Son, Inc.
Racine, Wisconsin

HARVEY HUMPHREY
Title Insurance & Trust Company
433 South Spring Street
Los Angeles 13, Calif.

WESLEY A. JOHNSTON
Chrysler Corporation
341 Massachusetts Avenue
Detroit 31, Michigan

FRED L. MATTSON, JR.
West Coast Lumbermen's Association
1410 South West Morrison Street
Portland 5, Oregon

GEORGE J. MORRISEY
Reynolds Metals Company
Reynolds Metals Building
Richmond, Virginia

ROBERT R. NEILSON
Morgan Construction Company
15 Belmont Street
Worcester, Massachusetts

WM. H. QUAY, JR.
The Coca-Cola Company
P. O. Drawer 1734
Atlanta, Georgia

T. T. REDINGTON, JR.
Dresser Industries, Inc.
Republic National Bank Building
Dallas 21, Texas

ALFRED W. REID
Foremost Dairies, Inc.
425 Battery Street
San Francisco, California

ROBERT B. SCHELLERUP
Union Bag-Camp Paper Corporation
233 Broadway
New York 7, N. Y.

D. M. STUART
Canada Packers Ltd.
2200 St. Clair Avenue W.
Toronto, P.Q., Canada

MISS JULIA SULLIVAN
The General Tire & Rubber Co.
1708 Englewood Avenue
Akron 9, Ohio

LON VARNADORE
Weyerhaeuser Company
Tacoma Building
Tacoma, Washington

EDWARD M. WALTON
Harry P. Campbell Sons Corp.
Towson, Maryland

HOWARD T. WEBER
Minnesota Mining & Manufacturing Co.
900 Farquier Avenue
St. Paul, Minnesota